

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?	Yes, we believe the modification better facilitates the Applicable objectives.
2	Do you support the proposed implementation approach?	We support the proposed approach in the modification.
3	Do you have any other comments?	We believe this is an important change that extends the concept of contestability into transmission for networks in excess of 2km. This provides more flexibility for new connectees on the connection route and potentially leads to faster and/ or lower cost connections.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Yes, see separate sheet
Modification Specific Workgroup Consultation questions		
5	What, if any role should Ofgem have in this proposed new process?	Ofgem's role should be to form part of a dispute resolution process should the transmission company and connectee cannot reach agreement on aspects of the connection, particularly the asset payment.
6	Should there be a clearer limit on the length of a Connection Asset construction?	We do not believe there should be a limit on the length of a connection asset. Any limit would be arbitrary and create a step change in methodology without justification.
7	Can you identify/list scenarios in which this agreement shouldn't be given?	Agreement should only be withheld by the transmission owner (TO) if the proposed construction of the connection assets has an impact on security of supply or the construction is likely to directly impact on an existing customer. We would not foresee this to be a likely scenario and any issues should be raised by the TO in the first instance to allow the connectee to resolve it.
8	The Workgroup is considering what the length beyond 2km might be appropriate and would welcome	We do not believe there should be a limit on the length of a connection asset. Any limit would be arbitrary and create a

	<p>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 view as to what the set length should be?</p>	step change in methodology without justification.
9	Should there be a clearer limit on the length of a Connection Asset construction?	Question repeated
10	Should the 2km cap be removed or a new cap be put in place. Please justify a new cap and to what level?	Removed as per our justification in Q.8
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 would not be our preference. However, we can see a valid case for the limit being removed at 132kV only as this would remove a distortion between 132kV sites connecting in Scotland as opposed to England and Wales.
12	Should the cap on length of Connection Assets be removed or revised?	Removed as per our justification in Q.8
13	Should approval be required from the Transmission Owner and NGENSO for connections in excess of 2km? Please provide rationale as to on what basis the approval would be denied?	We accept the principle that the TO should provide approval as the TO will ultimately own the network. However, the approval should not be unreasonably withheld and the timetable for the process of approval should be set out to ensure this process does not become a barrier to contestable connections. We have set out where approval could be withheld in our answer to question 7.
14	Should additional costs incurred over and above the cost the TO	We would expect any additional costs incurred by the connectee to be incurred

	would have incurred be fully paid for by the User concerned? Are there any circumstances where the TO should fund some/all of these costs?	by the connectee except where the TO has caused the connectee to incur additional costs through its own actions (or inactions).
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, a second comer rule is a fair an equitable approach and the principle is already established at distribution.
16	Do you foresee any legal or regulatory barriers or introducing a second comer rule equivalent into the CUSC for this purpose?	No, we do not see any regulatory barriers preventing the implementation of a second comer rule. Although the application of the second comer rule at distribution is underwritten by legislation, this should not prevent it being set down in a multi-party contract such as the CUSC.