

Code Administrator Consultation Response Proforma**CM094 - Amendment to Bi-annual estimate provisions**

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 stcteam@nationalgrideso.com by **5pm on 20 March 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 Milly Lewis Milly.Lewis@nationalgrideso.com or stcteam@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Dennis Gowland	
Company name:	Research Relay Ltd (Representing Generation Projects in Orkney)	
Email address:	dennis@researchrelay.com	
Phone number:	07739392965	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input checked="" 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 Panel or the industry for further consideration)

For reference the Applicable STC Objectives are:

- a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act
- b) development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission
- c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity
- d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees
- e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC.
- f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system;

g) *compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.*

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

Standard Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution against the Applicable Objectives?	<p>Mark the Objectives which you believe the proposed solution better facilitates:</p> <p>Original <input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E <input type="checkbox"/>F <input type="checkbox"/>G</p> <p>The proposal is deficient in c) as it could lead to discrimination between users on the same circuit. In the Orkney context the proposal may be deficient for f) – in that in some cases it does not facilitate access to the NETS for generation not yet connected.</p>
2	Do you have a preferred proposed solution?	<p><input type="checkbox"/>Original</p> <p><input type="checkbox"/>Baseline</p> <p><input checked="" type="checkbox"/>No preference - Would be Original except for defect.</p> <p>Click or tap here to enter text.</p>
3	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes</p> <p><input checked="" type="checkbox"/>No</p> <p>Although we understand the rationale of an STC mod, and with urgent status, to allow parties to avoid very high barriers to entry connecting to LOTI type infrastructure which would otherwise lead to very high securities against a very low level risk such an asset being stranded – the mod in this form is potentially unduly discriminatory. The mod – in order to avoid having to amend the CUSC – allows benefit ONLY to customers (users) who have opted for Final Sums and excludes those who have opted for 'Fixing'. The rationale given in the Workgroup report, that those on the fixed regime would perhaps experience only marginal disadvantage on Fixed versus Final Sums was seemingly not based on even a high level estimate of potential impact. There was an assumption that multiple reinforcements in attributable works would be of similar levels in terms of liabilities and that removal of one of these (as shared in a 'local' circuit) would probably be made up for in those fixing by avoiding inflation based increases on the other works which would be passed through in Final Sums. However this falls apart when the LOTI circuit represents the vast proportion of the liabilities present as Attributable works (this can be as high as over 90%). Customers may have been offered Contracts with</p>

		<p>attributable works after they have been Authorised as 'Needs Case' by the Authority and will still be left securitising these assets until connection – whereas others using the same works will have them dropped in the first 6-monthly demand after any Ofgem approval of CM094. Given that customers can only enter into contracts, including any decision to take up options, in good faith, based on the information they have access to at the time, it seems unfair to exclude some parties after the fact. In our opinion this mod offers a partial remedy to the defect it is purposed to address but at the same time leads to a potential problem concerning fair competition between parties wishing to connect. It is also our opinion that if this mod were to be approved then an urgent CUSC mod would need to be raised to allow some flexibility for affected users to move from the fixed regime – which could be time limited, for instance within the first year after trigger date where there is a potential difference at that time of x% between projected Fixed and Final Sums and where the largest liability concerns a 'Needs Case' LOTI, ASTI or HND (As CMP428) asset.</p>
4	Do you have any other comments?	Click or tap here to enter text.