



Consultation Response

**CMP435: Application of
Gate 2 Criteria to existing
contracted background**

November 2024

About us

Since 1978, Solar Energy UK has worked to promote the benefits of solar energy and to make its adoption easy and profitable for domestic and commercial users. A not-for-profit association, we are funded entirely by our membership, which includes installers, manufacturers, distributors, large-scale developers, investors, and law firms.

Our mission is to empower the UK solar transformation. We are catalysing our members to pave the way for 70GW of solar energy capacity by 2035. We represent solar heat, solar power and energy storage, with a proven track record of securing breakthroughs for all three.

Respondent details

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 - ♦ **Organisation Name:** Solar Energy UK
 - ♦ **Would you like this response to remain confidential:** No
 - ♦ **Submission date:** 26 November 2024
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Introduction

Our concerns regarding the current reform approach align closely with those raised in CMP434. That is, concerns around inadequate consultation timelines and unresolved issues at the Transmission/Distribution (T/D) interface. Support for the implementation depends on robust grandfathering provisions granted by NESO for existing advanced projects.

We believe that any sufficiently advanced project should be exempt from Gate 2 requirements – including projects with a connection date up to 2030, projects that have submitted planning applications, or those with a clear route to market (such as a CFD or PPA). It is essential to prioritise distribution projects, many of which already face delays despite having planning permission, to meet Clean Power 2030 targets, while we also strongly oppose any retrospective actions applied to the distribution queue.

Misleading connection queue figures and the lack of mechanisms to reallocate capacity to ready projects, exemplifies the need for reforms that focus on accelerating advanced solar and storage projects. Achieving government solar deployment goals by 2030 requires exempting viable distribution projects from Gate 2 reforms, addressing bottlenecks at the T/D interface, and ensuring a fair and efficient process for project progression.

Consultation Questions

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

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *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;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *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 Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		Original <input type="checkbox"/> a <input type="checkbox"/> b <input type="checkbox"/> c <input type="checkbox"/> d
		WACMI <input checked="" type="checkbox"/> a <input checked="" type="checkbox"/> b <input checked="" type="checkbox"/> c <input checked="" type="checkbox"/> d
		No comment.
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input checked="" type="checkbox"/> WACMI <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		Click or tap here to enter text.
3	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		Our concerns regarding the current reform approach align closely with those raised in

	<p>CMP434. The tight deadlines fail to accommodate the required consultation timelines, and significant ambiguities remain, particularly concerning the Transmission/Distribution (T/D) interface. Our support for the implementation approach depends heavily on the extent of grandfathering provisions granted by NESO for existing advanced projects.</p> <p>We believe that any sufficiently advanced project should be exempt from Gate 2 requirements. This includes projects with a connection date up to 2030, projects that have submitted planning applications, or those with a clear route to market, such as a CFD or PPA. Ensuring that viable, advanced projects are not hindered by these reforms is essential for achieving the Clean Power 2030 targets. It is critical that reforms do not impede the delivery of projects that have already demonstrated a commitment to build.</p> <p>We also strongly oppose any retrospective actions applied to the distribution queue. While this may fall outside the scope of this consultation, it is essential to address NESO's ongoing use of the aggregate connection queue figure of 736GWp. This figure is misleading, as it aggregates diverse capacities: 37% is storage (including hydrogen), 6% is demand, 4% is non-renewables, 4% is interconnectors, and 2% is nuclear. Only 47% of this total represents renewable generation, a key detail often overlooked. Of the total queue, 76% represents transmission projects, which historically faced minimal barriers to entry. While grid application fees (approximately £70k) were required, applicants were not obliged to demonstrate</p>
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		<p>secured land or achieved milestones. Additionally, the Assessment reveals that many solar projects in the transmission queue have only met Gate 1 criteria, indicating that grid reform efforts should prioritise transmission projects.</p> <p>Conversely, distribution projects, many of which already have planning approval, have stagnated in the queue for years, awaiting firm dates from DNOs. Planning approval reflects a significant financial commitment by developers, and these projects deserve prioritisation. The Assessment also warns of a potential undersupply of critical technologies. It notes that “the low readiness case for offshore wind and solar is below the 2030 pathways,” signalling a risk of undersupply for 'ready' projects. Connections reform could play a pivotal role in accelerating later-stage projects, especially in the solar sector, to meet demand.</p> <p>Furthermore, the Assessment highlights a “significant undersupply of solar in the distribution queue compared to CP30 pathways for 2030,” emphasising that achieving government solar targets will require substantial deployment. Modelling shows that connecting large volumes of solar most efficiently necessitates leveraging the distribution network. To support this, existing solar projects in the distribution queue with connection dates up to 2030 must be exempt from new reforms. At a minimum, projects with planning permission should be exempt from both the gate reform process and additional barriers. Without these exemptions, meeting government targets will become nearly impossible.</p>
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4	Do you have any other comments?	No comment.
5	Do you agree with the Workgroup's assessment that	<input type="checkbox"/> Yes <input type="checkbox"/> No

	the modification does not impact the Electricity Balancing Regulation (EBR)	
	Article 18 terms and conditions held within the CUSC?	No comment.