

VPI Immingham LLP
 CM 2018 Rules Change Consultation

	Ofgem	VPI	Comment
CP288	Take forward	Support	Applicants should be able to enter N/A if not VAT registered or part of a VAT group
CP293	Take forward	Support	Existing CMUs should be able to opt out of the T-4 but continue in the T-1 – this is already possible by simply exiting the T-4 but undermines the spirit of opt out mechanism.
CP344	Take forward	Support	VPI is strongly supporting levelling of the playing field around private wire connection for new and existing CMUs on both the transmission and distribution network. If this can be taken forward – so should CP345 & 350.
CP254, 341 & 342	Reject	Reject	VPI understands the arguments around prequalifying incremental capacity into the CM but believe this should be considered as part of the 2019 review.
CP255	Reject	Reject	VPI believes that CM objectives should not used to deliver wider policy objectives. This rule change is already covered by Government’s commitment to close unabated coal by 2025.
CP269	Reject	Support	VPI believes that the Delivery Body should be explicit about how/why information is collected during prequalification.
CP258 & CP315	Reject	Support	VPI believes the existing approach to demonstrating planning permission should be maintained. Removing the ability of developers to demonstrate planning permission/ variations up to 22 WD days before the auction puts unnecessary burden on project timelines and local planning authorities.
CP298 & CP351	Reject	Support	Entirely sensible that NGET should be able to share information with the DB/ ESC. VPI supports replacing administrative burden with IT process that can be checked and validated.
CP317	Reject	Reject	VPI believes that this should rule change should be considered under a wider review of interconnection participation in the CM in 2019. VPI’s main concerns are around unintended “price taker” consequences of the cap & floor.
CP335	Reject	Reject	VPI does not believe that CM applicants should not be forced to disclose information about commercial optionality during prequalification.
CP345 & CP350	Reject/ consider in the future	Support	VPI submitted CM rule change CP345 and strongly supports the levelling of the playing field between transmission and distribution. The ability for new build CMUs to economically connect via private wire should not be limited to the only Distribution network. Supporting documentation has been provided separately. A one size fits all solution would address CP350.
CP353	Consider further	Support	In line with the treatment of other CMUs, more granular DSR technology classes should be created

VPI Immingham LLP
 CM 2018 Rules Change Consultation

			with appropriate duration limit deratings and testing regime.
CP272	Reject	Support	VPI believes that developers should not be encouraged to vague around the nature of projects during prequalification. VPI request consider further whether elements of physical configuration of generating units can be amended post prequalification. The SPD and penalty regime should be punitive enough to discourage developers for gambling on their committed CM obligation.
CP340	Reject	Support	VPI request Ofgem to provide further clarity around this issue. Switching between CMRS and non-CMRS (and vice-versa) is a commercial decision and does not affect a party's ability to meet their CM obligation.
CP287	Reject	Support	CMUs should be encouraged to choose the most economic route of connection to the electricity system.
CP328	Reject	Support	VPI disagrees with "69" and believes that parties should be able to conditionally prequalify based on errors being amended.
CP273	Accept	Support	Auction parameters should be consistent between the T-1 and T-4 auctions.
CP250 & CP251	Reject	Support	VPI believe that Ofgem should publish price taker/ price maker status on the CM register. It is unclear why this approach is not already adopted.
CP316	Reject	Support	VPI would strongly support a hardcoded CM timetable that could be incorporated into our operations – this would not undermine the discretion of BEIS to hold CM auctions.
CP329	Accept	Support	However, failure by distribution operators should also not be considered a termination event.
CP271	Consider further	Support	The CM register should set out clearly whether a DSR party is generation or turn down.
CP256, CP346 & CP352	Reject	Reject	VPI believes that CM objectives should not used to deliver wider policy objectives.
CP305	Accept	Support	VPI supports investigation of Anti-Money Laundering and financial crime legislation
CP294	Reject	Support	VPI supports interconnection flows during system stress events being based on actual flows – not scheduled deliveries. Rejecting this highlights that interconnection owners do not have any control on what flow occurs in real-time.
CP331	Reject	Support	VPI believe that the specific commercial arrangement of one type of technology should not result in the technology neutrality principle being discarded.
CP333	Reject	Support	VPI believes that this is inconsistent with CM Rule 8.5.1 (ba)

CP260 & CP332	Reject	Support	Interconnection should demonstrate it is capable of delivery CM obligations. If an interconnector cannot control flows – there is a underlying question about why included in the CM
CP252	Accept	Support	VPI supports any reduction in administrative burden for all CM participants
CP263	Reject	Reject	BEIS has stated that this will form part of the 2019 Review

Further comments:

- During prequalification and the CM year, the Delivery Body is coming under increasing pressure to provide CMUs with guidance around the CM Rules and Regulations. We believe Ofgem and BEIS should be available to provide more “hands-on” support to CMUs especially during prequalification. This will improve their “speed of turnaround” and consistency of guidance received.
- NG’s 1-1 sessions should be retained and were incredibly valuable.
- For the next delivery year, the entire DB EMR portal should be “scrubbed” for errors (e.g. updated to specifically state that uploading of a complete generation licence is only relevant to interconnection)
- The human element of the process is completely forgotten. Please do not underestimate how stressful this process is for participants. Timelines for future auctions could also be published much earlier as it is extremely difficult to plan anything year ahead because the timing of prequalification, disputes as well as the auctions themselves is completely unknown.
- BEIS and Ofgem should prioritise the publication of a consolidated set of rules and regulations.