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Workgroup Consultation Response Proforma

CMP470: Introducing an Oversubscribed Technologies

Commitment Fee

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@neso.energy by **5pm** on **30 April 2026**.

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 cusc.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Rachel Hodges	
Company name:	Cubico Sustainable Investments	
Email address:	Rachel.hodges@cubicoinvest.com	
Phone number:	0776514505	
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 type="checkbox"/> Other

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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 CUSC (Connection charging) Objectives are:

Means the Use of System Charging Objectives, as if references therein to the Use of System Charging Methodology were to the Connection Charging Methodology and in addition, the objective (where consistent with the other objectives) of facilitating competition in the carrying out of works for connection to the National Electricity Transmission System.

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

- i. *The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;*
- ii. *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;*
- iii. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and*
- iv. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

* See Electricity System Operator Licence

**The Electricity Regulation referred to in objective (iii) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the

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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.

For reference, (for consultation questions 5) the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

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What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the NESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

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

Standard Workgroup Consultation questions

1	Do you believe that the Original Proposal better facilitates the Applicable Objectives versus the current baseline?	Mark the Objectives which you believe each solution better facilitates than the current baseline:	
		Original	<input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		Trying to ensure that the aims of Connections Reform are actually realised is extremely important – not just for the efficient design and delivery of the connections for the BESS that we need on the system but also for the other generation and demand that is required. The current volume of BESS in the queue and that has the potential to enter the queue means that projects that are deliverable may still be	

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		unnecessarily delayed. This is one way of trying to ensure that the queue is effectively reformed to reflect the projects that are actually viable.
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Although securities are one way of ensuring that viable projects are prioritised, the complexity of the proposed solution—and the way it steps up based on the actions or inaction of others—seems inefficient and potentially problematic.</p>
3	Do you have any other comments?	<p>It is important that this does not include Clause 1 protected projects (26/27 connections), even if their connection timescales are delayed out to 2028/29 because of NESO/TO issues. These are not the projects we should be encouraging to leave the queue: they are in pre-construction or construction and will have signed their Gate 2 AtV before this is approved.</p> <p>The staging of the security will cause unnecessary costs for developers that remain in the queue for the first couple of rounds but are forced out later when the stakes become too high. In practice, developers may assume the securities will reach the maximum level before they 'bite', which would negate the intended benefits of staged progression. Consider fixing the security at a relatively high level—sufficient</p>

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	<p>to ensure projects are fully committed when they accept their Gate 2.</p> <p>If the aim of the proposal is to target unviable projects, should the securities not be related to the actual works that a project is triggering? In that regard, I agree with the views of other developers in the discussion on Parameter 5 that one way to address both issues identified above is to bring forward the attributable securities applicable to each project to an earlier date. The concern is that projects in Phase 2 will not have to place securities until later in the 2030s; is there a sensible way to make their securities at Gate 2 acceptance equal to at least the pre-trigger value they would otherwise face? Can NESO consider what this would look like and provide information to the workgroup?</p> <p>Finally, it should be considered how re-allocation of queue positions is managed for oversupplied projects that are removed from the queue as a result of this process. Should other projects of the oversupplied technology be brought forward to fill the gap, or should other less oversupplied (or under-supplied) technologies be given the opportunity to accelerate?</p>
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4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section of CMP470) <input checked="" type="checkbox"/> No As I am not a member of the workgroup, I don't feel in a position to propose an alternative. However, I would be keen to see an alternative that aligns with the views in the workgroup document under Parameter 5.
5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No No further comments.

Specific Workgroup Consultation questions

6	Do you agree with the workgroup's understanding of the issues which oversubscription creates?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No No further comments.
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7	Do you have evidence which may support the Workgroup in understanding what proportion of projects in the Gate 2 queue are unviable?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>NESO and the TOs should be able to help inform this. Even if projects are individually viable, that does not fully take into account the cost to the consumer of the transmission infrastructure required to facilitate this volume. Can the TOs provide clearer views of the cumulative infrastructure costs required for different levels of build-out?</p>
8	Do you have any comments on the Workgroups understanding of technical and economic viability of projects?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>No further comments.</p>
9	Do you agree with the proposed activation threshold of 50% oversubscription and deactivation threshold of 25% oversubscription?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>No further comments.</p>
10	Do you think the OTCF should apply based on national or	<input type="checkbox"/> Yes <input type="checkbox"/> No

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	regional oversubscription?	This is not a yes/no question. In my view it should be based on national oversubscription, as regional oversubscription can be managed by NESO through rebalancing and risks being too prescriptive and/or volatile.
11	Do you agree with the proposed timing of the OTCF from implementation or Gate 2 contract signature (whichever is sooner) up to energisation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No It should apply from implementation, or (if Gate 2 contract signature is after implementation) from Gate 2 contract signature, up to energisation. However, the wording of this question does not quite suggest that; it seems to imply the OTCF could apply from Gate 2 contract signature even if that is before implementation.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes—using the OTCF as a securities floor seems a practical way to ensure there is always a meaningful minimum level of commitment.
13	Do you agree with the level of the OTCF, including minimum and maximum levels	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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	if changing over time?	As noted above, I agree with the views raised by other developers during the workgroup discussion on this point.
14	Do you agree that the OTCF should be applied to projects which co-locate an oversubscribed technology with another technology?	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>As noted in the discussion, this is not clear and needs further reflection. BESS co-located with generation that does not import should not be treated as contributing to oversubscription, and any existing issues arising from Connections Reform for co-located projects should not be exacerbated further by this change. However, it is not clear how this can be applied in a consistent and workable way whilst supporting the delivery of co-located projects that genuinely benefit the system.</p>
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>The OTCF and PCF are aimed at different projects and different times, but so long as the OTCF operates as a ceiling (as proposed), it seems appropriate.</p>
16	Do you agree that any OTCF funds	<input type="checkbox"/> Yes <input type="checkbox"/> No

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	relating to a customer which does not go on to energise should be returned to consumers via TNUoS?	
		This appears to be in line with the PCF approach, but no other options are presented, so it is not clear whether there are alternative treatments that could be considered.
17	Do you agree that NESO should have the option not to implement the OTCF if the activation threshold is breached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		This seems like a sensible safeguard.
18	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		If the aim is a quick resolution, this approach would be less effective and would extend uncertainty over network design and timelines for other impacted projects.
19	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		I assume this relates to the Alternative Request 2 solution. I do not feel the proposed level of OTCF would be sufficient, and it is not clear what is meant by "all Gate 2 BESS projects regardless of

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		being in the oversubscribed queue". With further work, this may align with the simplified approach I suggested above, but it would need more consideration and discussion in the workgroup.
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