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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:	Kaj Adams	
Company name:	Regener8 Power	
Email address:	Kaj@regener8power.com	
Phone number:	07852 226 301	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input checked="" type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" 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

I wish my response to be:

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(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 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:

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- 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.*

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.

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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?	<p>Mark the Objectives which you believe each solution better facilitates than the current baseline:</p> <table border="1"> <tr> <td>Original</td> <td> <input type="checkbox"/>i <input type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> </table> <p>Click or tap here to enter text.</p>	Original	<input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
Original	<input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None			
2	Do you support the proposed implementation approach?	<p> <input type="checkbox"/>Yes <input checked="" type="checkbox"/>No </p> <p>Click or tap here to enter text.</p>		
3	Do you have any other comments?	<p>With approximately 60GW of BESS oversubscription against a Clean Power 2030 requirement of roughly 29GW, the industry requires a credible strategy to reduce pressure in the protected queue.</p> <p>The proposed CUSC modification CMP470 introduces an Oversubscribed Technology Commitment Fee, requiring projects in oversaturated technologies to post significant securities to remain in the queue. At Regener8 Power, we do not believe a blunt £/MW charge is the optimal solution.</p> <p>Our view is that NESO should implement practical mechanisms that help viable projects move forward while encouraging less deliverable projects to</p>		

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		<p>rationalize or exit. We propose the following alternative mechanisms:</p> <ul style="list-style-type: none"> - Capacity Haircut: Proportionately reduce aggregate queued capacity at Gate 2. - Gate 2 ModApp Amnesty: Allow projects to reconfigure without losing their queue position. - Capacity-for-Acceleration Mechanism: Enable developers to trade surrendered capacity for earlier connection dates on stronger assets. - CP2030 Duty: Implement a post-connection contribution rather than an upfront acceptance penalty. <p>Whether implemented individually or together, these ideas aim to tackle oversubscription in a flexible, collaborative, and economically rational manner while preserving the value of the time and capital already invested across the sector.</p> <p>The application of another fee affects smaller developers who need to post securities as cash or bond and cannot fall back on parent company guarantees.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section of CMP470)</p> <p><input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>

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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 type="checkbox"/> Yes <input type="checkbox"/> No We have not reviewed in the level of detail required to categorically state we agree
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Specific Workgroup Consultation questions

6	Do you agree with the workgroup's understanding of the issues which oversubscription creates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No We are aware of areas of the UK (at transmission level), specifically East Anglia, where we believe the levels of batteries set to receive Gate 2 offer are less than the network likely requires due to specific network issues. Oversubscription as a whole is an issue, but it should potentially be examined at a regional level.
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 Click or tap here to enter text.
8		<input type="checkbox"/> Yes

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	Do you have any comments on the Workgroups understanding of technical and economic viability of projects?	<input checked="" type="checkbox"/> No <p>Generally yes, but we are aware of projects that will have planning permissions in place imminently that have not received a Gate 2 offer (i.e. planning was submitted after the protections deadline, but the project is still viable). These projects will be 'ready' and will be stuck behind other projects that have a Gate 2 offer but no confirmation of planning. This is not the 'first ready – first connected' ethos of the reforms. This is a wider issue, but one that needs to be understood.</p>
9	Do you agree with the proposed activation threshold of 50% oversubscription and deactivation threshold of 25% oversubscription?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Click or tap here to enter text.</p>
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>We don't believe there should be a fee, but oversubscription should be examined at a regional level.</p>
11	Do you agree with the proposed timing of the OTCF from implementation or	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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	Gate 2 contract signature (whichever is sooner) up to energisation?	There are far earlier milestones or opportunities return of the fee. We understand the 'game the system' comment in the original proposal, but the fee is considerable for transmission connected projects and holding it for the 24/30 months of an actual project build seems excessive.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>There is enough uncertainty within the Gate 2 offers currently being issued that projects who are waiting for node substations (and typically have low initial securities) will be unfairly punished. They will have a higher degree of uncertainty and yet are being requested to release additional funds.</p>
13	Do you agree with the level of the OTCF, including minimum and maximum levels if changing over time?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>No. The costs are far too high for transmission connected schemes due to scale. Developers must budget for the value the OTCF 'could' increase to so bringing in more uncertainty would not be beneficial.</p>
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 checked="" type="checkbox"/> No <p>Regener8 Power's stance is that hybrid projects have always been unfairly treated throughout the reforms. Modelling a hybrid project as an individual PV and individual BESS project is not how projects work</p>

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		commercially. The offer of changing the BESS type on the application to import or export only is not possible at transmission level due the legalities of having a customer on an unregulated network. Hybrid projects need to be examined at a wider level first.
15	Do you agree that the OTCF should apply as well as the PCF?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>Realistically one shouldn't have an impact on the other due to project stages to reach Gate 2 when OTCF would apply would mean PCF wouldn't apply.</p> <p>However, care needs to be taken as a precedent of applying financial 'commitment' to every issue appears to taking place.</p>
16	Do you agree that any OTCF funds relating to a customer which does not go on to energise should be returned to consumers via TNUoS?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		We would need to investigate further
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
		Click or tap here to enter text.

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18	Do you agree with the proposed Alternative Request 1 solution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Yes, there is too much uncertainty in offers, network requirements and connection dates to impose the fee this early. Pushing it back by 12 months (or more) would give time for the dust to settle on the offers being issued and the NESO to completely understand the works required on their system.
19	Do you agree with the proposed Alternative Request 1 solution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Assume this relates to request 2. Yes, but value is still too high for transmission projects.