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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:	Helen Stack	
Company name:	Centrica	
Email address:	helen.stack@centrica.com	
Phone number:	07979567785	
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 checked="" 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 checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		<i>i.</i> Efficient discharge of the Licensee's obligations: – Positive – By accelerating attrition of oversubscribed technologies in the queue, the Licensee will be better able to focus its resources on efficiently connecting the viable projects needed for Clean 2030. This should result in viable, needed projects being connected in a timelier and more cost-	

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		<p>effective manner, with knock-on positive impacts for the Licensee's wider obligations.</p> <p>ii. Facilitating effective competition: – Positive – Enabling viable, needed projects to connect quicker will increase competition in the generation of electricity. Likely to have a knock-on impact for electricity supply.</p> <p>iii. Compliance with the Electricity Regulation: – Neutral – no impact.</p> <p>iv. Implementation and administration of the CUSC arrangements: – Neutral – Adds complexity to the CUSC, but with the objective of improving the efficiency of the CUSC arrangements overall.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
3	Do you have any other comments?	<p>To address the defect effectively, it is important that any change delivers impact rapidly. Under the proposed approach it will take 2 ½ years for the OTCF fee to get to its full level.</p> <p>Although the following point sits outside the formal scope of CMP470 and is directed to Ofgem and the TOs, we question whether there is a complementary route to address part of the defect by reconsidering the obligation on TOs to build out to the full level of an oversubscribed queue.</p>

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		<ul style="list-style-type: none"> The Workgroup report notes that: <i>"Some Workgroup members asked whether TOs are genuinely designing for the full 90 GW of BESS projects, and a Workgroup member clarified that, following implementation of Connections Reform, TOs are bound to do so by their licence conditions."</i> However, this appears to sit in some tension with the joint Ofgem/DESNZ letter of 17 April 2026 on connections reform delivery, which stated: <i>"Once offers are issued, we expect network companies to take a pragmatic approach to network build in delivering connections, reflecting the current surplus and likely attrition, and to assess funding commitments accordingly."</i> Against this backdrop, we ask whether Ofgem could provide greater clarity or comfort to the TOs that they are not required to build out to the full 90GW of BESS – either through an urgent licence change or clear guidance? We recognise this is a difficult balance, because as developers we also need greater recourse if network operators fail to deliver connections on time for viable, needed projects.
4	Do you wish to raise a Workgroup Consultation	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section of CMP470) <input checked="" type="checkbox"/> No

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	Alternative Request for the Workgroup to consider?	
		Click or tap here to enter text.
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 Click or tap here to enter text.

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 We agree with the issues identified. These need to be addressed at speed.
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.

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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
		No, but this was a useful to bring this out in the report.
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
		Click or tap here to enter text.
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We believe it should apply on a national basis.
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
12	Do you agree with the proposal to apply the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	OTCF as a securities floor?	
		Click or tap here to enter text.
13	Do you agree with the level of the OTCF, including minimum and maximum levels if changing over time?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Yes – as a compromise. We would not support any further lowering of the minimum OTCF.
14	Do you agree that the OTCF should be applied to projects which co-locate an oversubscribed technology with another technology?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Agree with the assessment in the Workgroup that these are unlikely to apply to the same projects at the same time.
16	Do you agree that any OTCF funds relating to a customer which does not go on to energise should be returned to	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.

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	consumers via TNUoS?	
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 <p>Yes, this is an important point and aligns with the PCF approach. In smaller technology pots, a limited number of large strategic projects may be sufficient to take the technology over the threshold. Where NESO has good visibility of likely attrition, it can therefore judge that use of the OTCF is not necessary.</p>
18	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>While we understand the developer rationale, we consider that resolving the adverse effects arising from significant oversubscription, and doing so swiftly, should take priority.</p>
19	Do you agree with the proposed Alternative Request 2 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>We don't believe the lower and fixed OTCF would be sufficient to address the defect.</p>