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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:	Jack Whitehouse	
Company name:	ion Ventures	
Email address:	jw@ion.ventures	
Phone number:	020 7947 9661	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input 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

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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 type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		We are unconvinced that the proposed fee will improve or maintain higher standards of quality for projects to connect. We accept that the quantity of projects needs to be reduced, but the question is which projects will be forced out, and which will remain?	

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		Add-on fees prioritise immediate access to capital rather than those projects which are best for the system and consumer, long term.
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>The current approach applies to all technologies, generation and storage identically. They are not identical.</p> <p>The “Clean Flexibility Roadmap”, “Smart Systems and Flexibility Plan” explicitly discussed the “billions [that will be] saved” with adequate storage allowing for the round-the-clock movement of power, as opposed to building a grid that must be able to meet peak demand, and then goes unused the other 23 hours of the day.</p> <p>It is proposed therefore to approach storage differently: to consider location, duration, type and the potential that more storage may be required than the CP30 targets.</p>
3	Do you have any other comments?	Raising upfront development barriers will disproportionately harm small and medium developers who often create the projects that are later capitalised, acquired and built by larger developers.

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		It is ultimately the lifetime of locational operational grid costs that long term investors base decisions on because their impact on project economics is far greater than any securities fee, so by reforming operational costs paid by generators and paid by/to storage, the grid pipeline would be reshaped as early stage developers look to develop projects that have long term value.
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 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 CMP 470 will materially impact the future landscape of the balancing mechanism by imposing an undue burden on new storage entrants looking to enter and compete in a market dominated by existing gas plants. However, CMP470 is not itself discriminatory in favour or against technologies, even if the CP30 targets themselves risk being misinterpreted. Future technological developments will also

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		likely be held back through CMP470 omitting developers at the forefront of advancement.
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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
		<p>"The need for clarity, certainty and confidence in network planning are important."</p> <p>CMP 470 attempts to cut down the supply and storage queue to resolve those issues. However, where the system needs supply and storage is ultimately a question of where demand is, and when demand is and reforms there need to be demand-led. Reformed National Pricing and Strategic Spatial Energy Planning are far more demand led and any change to fees ought to emerge out of RNP/SSEP.</p>
7	Do you have evidence which may support the Workgroup in understanding what proportion of projects	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		The experience of ion Ventures in assessing the continuing viability of its own 334 MW portfolio of storage and solar projects in the UK & Ireland.

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	in the Gate 2 queue are unviable?	
8	Do you have any comments on the Workgroups understanding of technical and economic viability of projects?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>The economic and technical viability of projects is best understood by the project developer and revenue analysts like Modo Energy, AFRY and Baringa.</p> <p>If UK consumption of electricity grows as electricity grows as a portion of energy consumption from today's low levels then the demand for supply and especially storage will vastly outstrip CP30 targets.</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>CMP 470 aims to reduce the Gate 2 grid queue in line with CP30 goals, however many of those Gate 2 projects may be needed for post 2030 electrification and system needs.</p>
10	Do you think the OTCF should apply based on national or	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	regional oversubscription?	National oversubscription is a non-starter. What if all the projects ended up in the most congested zone? Regional subscription fits transmission constraints better, however projects within the same region can themselves have very different system impacts. Storage in a congested wind zone can alleviate wind constraints, whilst more wind in a congested wind zone can exacerbate constraints.
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 Timing is premature relative to Gate 2 completions. Though CMP 470 may be attempting to get ahead of downstream issues, it is preferred that Connections Reform and other impactful reforms complete before asking project funders whether their projects remain viable.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The vast increase in expense across a portfolio, which is then tied up for a considerable period of time, risks the diversion of capital away from where it is most needed, further impeding on

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		strategic system objects and future grid development/investment.
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>The figure is not linked to demonstrable system impact of each project, to network planning, or historical rates of project attrition. The fee lacks consideration for system and locational value of individual assets, some of which may reduce not increase system fees, and the fee lacks consideration for duration of storage assets, for type of storage assets and it is not proportional to differences in project maturity, scale or technology risk.</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>Case by case. Co-locating an existing asset will be a net positive for the system. Co-locating a planned asset that is poorly situate may be less preferable than the planned asset resituating altogether.</p>
15	Do you agree that the OTCF should apply as well as the PCF?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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		Either or.
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 checked="" type="checkbox"/> No
		The grid needs long term investment to reduce long term operational costs and improve efficiency.
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
		It is absolutely necessary that NESO retains discretionary powers.
18	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
19	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.