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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 cust.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 cust.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Garth Graham	
Company name:	SSE Generation	
Email address:	garth.graham@sse.com	
Phone number:	01738 456000	
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 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 checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> </table> <p>At this stage in the process, taking into account our current understanding of the Original proposal, we concur with the reasoning provided in the proposal form that CMP470 does better facilitate Applicable Objectives (ii) and (iv) whilst being neutral in terms of (i) and (iii).</p>	Original	<input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
Original	<input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None			
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>Having examined the indicative detail of the implementation approach, as set out on pages 39-40, we are supportive of this proposed approach to implementation.</p>		
3	Do you have any other comments?	Nothing further at this time.		
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) <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 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
		<p>We understand the challenge of oversubscription that has recently emerged which CMP470 Original seeks to address.</p> <p>The clarification provided by a TO at a recent Workgroup meeting; that they are working to the circa 90GW, rather than the circa 30GW, figure; has helped to crystallise the size, and impact, that the defect is seeking to address.</p> <p>We concur with the Proposer's analysis of the impact of substantial oversubscription.</p>
7	Do you have evidence which may support the Workgroup in	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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	understanding what proportion of projects in the Gate 2 queue are unviable?	We appreciate the deliberations the Workgroup has had around this item and have nothing further to add at this time.
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 The analysis provided by the Proposer is informative of the broad understanding of the quantum of the oversubscribed BESS connection queue and we have nothing further to add at this time.
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 We agree with both the proposed activation threshold (50%) and the deactivation threshold (25%).
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We agree with the national rather than regional approach to the oversubscription.
11	Do you agree with the proposed timing of the OTCF from implementation or Gate 2 contract signature (whichever	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We agree that for G2tWQ (CMP435) projects that the OTCF approach should apply from implementation (of this CMP470 proposal) and that for future

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	is sooner) up to energisation?	CMP434 based applications it should be based on acceptance of the Gate 2 offer.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We agree with applying the OTCF as a security floor.
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 We agree with the proposed level of the OTCF, including the minimum and maximum levels, if changing over time.
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 We agree that OTCF should apply to co-location which involves an oversubscribed technology.
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We agree that the OTCF and the PCF should apply.
16	Do you agree that any OTCF funds relating to a customer which does	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	not go on to energise should be returned to consumers via TNUoS?	<p>We agree that any OTCF that is paid by projects (that do not go on to energise) should be returned to end consumers via the TNUoS residual.</p> <p>Will this require an explicit change to Section 14 to ensure this happens (it seems to us that it may)?</p>
17	Do you agree that NESO should have the option not to implement the OTCF if the activation threshold is breached?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>We appreciate the general position. The key aspect is to have a definitive application of the OTCF if the criteria (for activation) is met</p>
18	Do you agree with the proposed Alternative Request 1 solution?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Given the quantum of the oversubscribed technology that the Workgroup has set out in this consultation, we do not believe that this requested Alternative will materially address the defect.</p>
19	Do you agree with the proposed Alternative Request 1 solution?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>[We understand this question to refer to Alternative Request 2]</p> <p>Given the quantum of the oversubscribed technology that the Workgroup has set out in this consultation, we do not believe that this requested Alternative will materially address the defect.</p>