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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](mailto: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](mailto:cusc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Chris Terry	
<b>Company name:</b>	Fidra Energy	
<b>Email address:</b>	Chris.terry@fidraenergy.com	
<b>Phone number:</b>	07483 411206	
<b>Which best describes your organisation?</b>	<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

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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?	<div>Mark the Objectives which you believe each solution better facilitates than the current baseline:</div> <table border="1"> <tr> <td>Original</td> <td> <input type="checkbox"/>i   <input type="checkbox"/>ii   <input type="checkbox"/>iii   <input checked="" type="checkbox"/>iv  <input type="checkbox"/>None </td> </tr> <tr> <td colspan="2">Click or tap here to enter text.</td> </tr> </table>	Original	<input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None	Click or tap here to enter text.	
Original	<input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None					
Click or tap here to enter text.						
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

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		Fidra Energy agree with the implementation process and change to the assessment methodology to be based on the signed Gate 2 offers. NESO should be obliged to publish regular updates regarding the level of projected over-subscription (based on signed offers) in order for parties to determine how best to proceed with Gate 2 offers.
3	Do you have any other comments?	The provision of securities (as a means of eliminating viable projects from the queue) must be accompanied by rigorous monitoring of projects by NESO and enforcement of its rights in respect of queue milestones for projects which are not progressing.
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 <a href="#">CMP470</a> ) <input checked="" type="checkbox"/> No <a href="#">Click or tap here to enter text.</a>
5	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <a href="#">Click or tap here to enter text.</a>

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	and conditions held within the Code?	
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### 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>Fidra Energy agrees with the understanding of the issues with oversubscription, however we would welcome more detailed input from the TO's on the cost inefficiencies which may occur so that these can be weighed against the additional cost of capital for the securities being placed by developers.</p>
7	Do you have evidence which may support the Workgroup in understanding what proportion of projects in the Gate 2 queue are unviable?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Evidence from the T-4 Capacity Market register highlight that even without securities freeze (since 2024), New build BESS CM contract termination (which carries penalties, not just securities) is rising and attrition is occurring naturally – exceeding 20% for 2027, with up to 40% of 2028 BESS still at risk of termination.</p>

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		<div><p><b>T-4 Capacity Market New Build BESS Status</b></p><table><thead><tr><th>Delivery Year</th><th>Terminated (%)</th><th>Yet to reach FCM (%)</th><th>Live/Construction (%)</th></tr></thead><tbody><tr><td>2025</td><td>~3%</td><td>0%</td><td>~97%</td></tr><tr><td>2026</td><td>~5%</td><td>0%</td><td>~95%</td></tr><tr><td>2027</td><td>~20%</td><td>0%</td><td>~80%</td></tr><tr><td>2028</td><td>0%</td><td>~40%</td><td>~60%</td></tr></tbody></table></div>	Delivery Year	Terminated (%)	Yet to reach FCM (%)	Live/Construction (%)	2025	~3%	0%	~97%	2026	~5%	0%	~95%	2027	~20%	0%	~80%	2028	0%	~40%	~60%
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8	Do you have any comments on the Workgroups understanding of technical and economic viability of projects?	<div><div><input checked="" type="checkbox"/> Yes</div><div><input type="checkbox"/> No</div></div> <div>Fidra agree with the assessment of the technical viability. Each developer assesses economic viability differently, influenced by individual investor return targets and risk appetites.</div>																				
9	Do you agree with the proposed activation threshold of 50% oversubscription and deactivation	<div><div><input checked="" type="checkbox"/> Yes</div><div><input type="checkbox"/> No</div></div> <div>The dead banding in the proposal is reasonable and sensible to prevent frequent “switching”.</div>																				

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	threshold of 25% oversubscription?	
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Fidra generally support the national approach for simplicity of assessment and implementation, but hold reservations about whether this approach fulfils the second benefit of connections reform, as identified by OFGEM:</p> <p><b><i>“More efficient network planning, build and connections – Network companies will have improved clarity on the projects that are ‘ready’ and ‘needed’... This will result in more focused, efficient network planning...”.</i></b></p> <p>Fidra’s primary concern is that under a national implementation approach we risk an oversupply of BESS in regions relative to CP30 plans. As such, we would like the workgroup to consider is whether a hybrid regional approach may work.</p>
11	Do you agree with the proposed timing of the OTCF from implementation or	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



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	Gate 2 contract signature (whichever is sooner) up to energisation?	Click or tap here to enter text.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Whilst the rationale for introducing the securities floor is understandable, we believe the floor approach reduces competition and unfairly disadvantages projects with low connection costs due to minimal attributable works.</p> <p>Regardless of the approach, floor or addition, there should be an accompanying project cap, as discussed by the workgroup. Such cap should not exceed that projects maximum liability (e.g. the cancellation charge just before energisation) otherwise the securities approach becomes a penalty to those projects and no longer reflects the cost to the network.</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 type="checkbox"/> No <p>Fidra agree with the levels proposed.</p> <p>As described in question 12, we believe the OTCF should be be capped as the maximum liability</p>

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		that the project may face under its connection arrangements (e.g. immediately prior to energisation). This approach provides fairness without impacting the objectives of the proposal.
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
		Yes, this approach should be taken to avoid gaming risk. As a BESS project is both demand and generation, attributable works are required for both sides of network infrastructure and as such those BESS should be treated equally. Were the BESS not there, the attributable works could be less due to the project being generation only, and as such the consumers would save more.
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
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

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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  As the author and party responsible for the SSEP, NESO's ability to override seems reasonable and logical provided that NESO must activate it for all projects, or none.
18	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Fidra do not support this proposal as the implementation date is too late to have a meaningful impact on attrition rates and thus not achieving the objective of this modification.
19	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Fidra do not support this proposal as we do not see it as being meaningful in achieving the objectives of this modification. The overall solution should combat oversubscription in a timely and impactful manner.