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## The 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>                        | Charles Saywell  |  |
| <b>Company name:</b>                           | Apatura Ltd  |  |
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| <b>Phone number:</b>                           | 07701259863  |  |
| <b>Which best describes your organisation?</b> | <input type="checkbox"/> Consumer body<br><input type="checkbox"/> Demand<br><input type="checkbox"/> Distribution Network Operator<br><input type="checkbox"/> Generator<br><input type="checkbox"/> Industry body<br><input type="checkbox"/> Interconnector | <input checked="" type="checkbox"/> Storage<br><input type="checkbox"/> Supplier<br><input type="checkbox"/> System Operator<br><input type="checkbox"/> Transmission Owner<br><input type="checkbox"/> Virtual Lead Party<br><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<br/> <input checked="" type="checkbox"/>None </td> </tr> </table> <p>The proposal is inherently anti-competitive, and as such will prevent effective competition by forcing capital-constrained developers out of the market.</p>  | Original | <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv<br><input checked="" type="checkbox"/> None |
| Original                                  | <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv<br><input checked="" type="checkbox"/> None |  |          |   |
| 2   | Do you support the proposed implementation approach?  | <p> <input type="checkbox"/>Yes<br/> <input checked="" type="checkbox"/>No </p> <p>The current proposal, whilst amended to a lower starting level of OTCF of £3k, still ramps up to a highly punitive £25k level. Whilst this will encourage any uneconomic projects to leave the queue, it will also force capital-constrained developers, those with smaller balance sheets who are unable to raise the OTCF, to let go of economic viable projects. This is highly anti-competitive, but also may not even shorten the queue. These economic projects will not just disappear – they will be sold (at distressed seller pricing which will in turn have a negative impact on all battery project valuations) to developers who can afford the OTCF, thereby not leaving the queue.</p> <p>Additionally the timing of the proposal means that it will be too late to allow for TOs incorporate into the design of the network, which is happening now.</p> |          |   |

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| 3 | Do you have any other comments?   | Click or tap here to enter text.   |
| 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> )<br><input checked="" type="checkbox"/> No<br><br>We do not believe that this approach, using additional financial obligations, is the right approach and as such are not proposing any variations to it. Our view is that this proposal will not shorten the queue materially or fairly , and is not better than the status quo. |
| 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<br><input checked="" type="checkbox"/> No<br><br>This modification would appear to contravene Objective e) 'avoids undue barriers of entry for new entrants'. The OTCF, particularly at higher levels (above £5k/MW in our view) is an additional material and significant barrier to entry for capital-constrained developers.   |

## Specific Workgroup Consultation questions

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| 6 | Do you agree with the workgroup's understanding of the issues which oversubscription creates? | <input checked="" type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>We agree that the oversubscription could result in the network being over-built. However to a degree this is not necessarily a bad thing, and there are steps and measures that the TOs can take to minimise this (e.g. |
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|   |   | design of bays, bay sharing, scheduling of works in anticipation of attrition at the back of the queue)  |
| 7 | Do you have evidence which may support the Workgroup in understanding what proportion of projects in the Gate 2 queue are unviable? | <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>This is a fundamental underlying problem with the proposal. The proposal seeks to remove “unviable” projects from the queue, and the OTCF would remain in place until the 90GW queue reduces to 36.25GW (29GW*1.25). This is implying there are 53.75GW of unviable/uneconomic projects. It is not possible to identify the volume of genuinely uneconomic projects within the queue, and whilst there may be some towards the front of the queue, it is more likely that the vast majority of the unviable projects sit in the latter two thirds of the queue where revenue forecasts will be highly diminished once the required 29GW of BESS has been built ahead of the majority of these projects.</p>   |
| 8 | Do you have any comments on the Workgroups understanding of technical and economic viability of projects?                           | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Following on from the comment to question 7, it is likely that most projects within the queue are assessing their economic viability based on basecase revenue forecasts from the main market forecasters (such as Modo, Aurora, Baringa etc). These revenue forecasts will be based on many assumptions, including the built-out of BESS – with this assumption likely to align with CP2030 (i.e. 29GW of build-out by 2035). It is not valid to use a revenue forecast based on 29GW of BESS build-out to value a BESS project that is materially further down the queue than 29GW. It is not credible for a project that is beyond maybe ~40GW in the queue to use these forecasts to claim viability.</p> |

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| 9  | Do you agree with the proposed activation threshold of 50% oversubscription and deactivation threshold of 25% oversubscription?              | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>As previously mentioned in q7, a deactivation threshold of 25% oversubscription would mean the OTCF would remain in place until the queue reduced to 36.25GW. It is our view that the majority of projects that would be removed under the OTCF would not be genuinely unviable projects, but instead projects that had been made unviable by the OTCF itself. In others words capital-constrained developers that have viable projects but are unable to meet the security level. |
| 10 | Do you think the OTCF should apply based on national or regional oversubscription?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>No = Regional. Consideration should be taken into account of the locational benefits that projects present. For example BESS projects in Scotland that will contribute towards reducing curtailment costs (in excess of £1bn/year due to renewables north of the B6), and providing grid resilience in the face of the demand growth primarily from data centres (such as the Central Belt AIGZ).  |
| 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<br><input checked="" type="checkbox"/> No<br><br>Aputura agrees with the timing in Workgroup Alternative Request 1 of March'28, to allow for natural attrition, the issuing of all Gate2 connection offers and subsequent decision making on progressing to FID, and sufficient time for flexible connection assessments. Furthermore it would allow for the baseline CP2030 29GW BESS capacity to be   |

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|    |  | updated with the SSEP baseline prior to the OTCF being introduced, and therefore potentially avoid projects being unfairly penalised due to out-of-date data being used.   |
| 12 | Do you agree with the proposal to apply the OTCF as a securities floor?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
|    |  | Yes, although this is still in the context that we disagree with applying an OTCF at all.  |
| 13 | Do you agree with the level of the OTCF, including minimum and maximum levels if changing over time?                           | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |
|    |  | £25k is too punitive. This goes beyond targeting genuinely unviable projects, and targets viable projects owned by capital-constrained developers. For a developer with a 1GW pipeline, this equates to £25M, in addition to the existing securities that the developer is already paying. Furthermore the cost of depositing this additional security will materially increase the cost of developing projects which ultimately will end up being passed through to the end consumer. |
| 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<br><input checked="" type="checkbox"/> No   |
|    |  | The OTCF should not be applied to co-located projects where either the over-subscribed technology is not resulting in additional enabling works, and/or the oversubscribed technology is providing a benefit to the network when co-located with the other technology – for example, a BESS co-located with a data centre, where the BESS is charging when the system is oversupplied with   |



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|    |   | renewables (thereby reducing curtailment costs), and discharging to the DC at peak demand times.  |
| 15 | Do you agree that the OTCF should apply as well as the PCF?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>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 consumers via TNUoS? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Click or tap here to enter text.  |
| 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<br><input type="checkbox"/> No<br><br>Given the severity of the OTCF proposal, NESO should have the ability to assess whether in their view the OTCF will be damaging to the overall progress towards CP2030. Many factors could change after accepting this proposal but before implementing the first OTCF payments, and this option should be available to NESO. |
| 18 | Do you agree with the proposed Alternative Request 1 solution?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>Whilst we agree with the concept of pushing back the timelines to allow natural attrition of the queue, and for all gate2 offers to be in and reviewed ahead of projects  |

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|    |  | deciding to proceed to FID, we do not agree with keeping the increase in the OTCF up to £25k/MW.   |
| 19 | Do you agree with the proposed Alternative Request 2 solution? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |
|    |  | <p>We agree that £1.5k/MW is sufficient to encourage genuinely unviable projects to leave the queue, whilst also reducing the impact on capital-constrained developers with viable projects.</p> <p>However, we do not agree with the overarching construct that is being proposed. We believe that using an additional financial burden on developers is worse than the status quo, and it would be better to allow the queue to serve its purpose, and for natural attrition to happen, whilst TOs use all tools available to them to manage the build-out in as efficient and effective a way as is possible.</p> |