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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:	Mithun Suresh	
Company name:	Masdar UK Development Company Limited	
Email address:	Msuresh@masdar.ae	
Phone number:	07471537920	
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>The proposal will reduce the over subscription of queue.</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>Click or tap here to enter text.</p>		
3	Do you have any other comments?	What happens to OTCF, if the project cancels in few years time? but the cancellation charges are much lower than the OTCF paid?		
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>		
5	Do you agree with the Workgroup's assessment that the modification does not	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p>		

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	impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	All projects must have the means to pay the cancellation charges. CMP470 is not increasing the cancellation charges, rather increases the securities.
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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
		Click or tap here to enter text.
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
		<p>The viability of the Gate 2 projects will depend on connection costs and connection dates. If TO/NESO provides Point of Connections far away from Point of Supply, then the project becomes unviable.</p> <p>The scenarios created by consultancies like Baringa, Aurora Energy etc shows a much slower build out of renewables compared to CP 2030. Believe this cannot be used as evidence but provides a view.</p>
8	Do you have any comments on the Workgroups understanding of	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	technical and economic viability of projects?	The project viability will depend on various factors, CAPEX, OPEX, revenue. If the IRR of the projects are at developers' expectation, then project is viable.
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
		For now this percentages seems fine. Would it be possible to have a mechanism where these figures are updated every 2 years or so? We also need this process to work when RESP, SSEP and CSNP would be rolled out.
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We will need feedback from the TOs and DNOs on this topic – the network reinforcements needed to deliver the oversubscription needs to be taken in consideration.</p> <p>A suggestion is a national level for the first year and then depending on the oversubscription this needs to be looked at a regional level, based on additional network reinforcement needed due to the oversubscription.</p>
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
		Should be implemented as soon as possible once all Gate 2 offers are received and signed/rejected. It

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	is sooner) up to energisation?	should apply until projects are energised or oversubscription falls below a threshold.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 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 Click or tap here to enter text.
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 If a Solar and BESS is co-located, and the BESS never charges from the grid, then the BESS do not have to pay OTCF. But if the BESS charges from the grid, then it needs to be considered for OTCF. For other technologies like co – located Wind and Solar, then the over subscribed technology should pay OTCF.
15	Do you agree that the OTCF should apply as well as the PCF?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No In practical terms the PCF will never apply to BESS who only achieve Gate 2 through full protection (i.e. with planning).

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		If another technology were to become significantly oversubscribed, then I do not see a benefit in having both mechanisms in place. PCF and OTCF are aiming to achieve the same thing. My concern is that it would kill viable PV and wind projects where the returns are typically lower and investment more risk averse.
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 <input type="checkbox"/> No
		If the funds are returned to the Customer if they cancel the project, it completely beats the purpose of this Fee. The OTCF could be used for network development, improve supply chain, resources to meet netzero target.
17	Do you agree that NESO should have the option not to implement the OTCF if the activation threshold is breached?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		Neither yes nor no. would be ideal to discuss this as a topic in the working group.
18	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		No, OTCF should be implemented at the earliest opportunity following the final Gate 2 offers. Delay by a further year will only ensure one more year of uncertainty for networks. Within that year additional network build will be planned and started, which

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		may end up not being needed following the OTCF attrition.
19	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		The fixed £1.5k/MW will not make a meaningful impact on attrition and project owners will simply build this cost in. With the development outlay that has already been invested getting land rights, planning, grid, an additional £1.5k/MW is not going to cause any but the most distressed projects to cancel