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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:	Ross O'Hare	
Company name:	SSEN	
Email address:	Ross.ohare@sse.com	
Phone number:	07586288594	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input 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 checked="" type="checkbox"/> iv <input type="checkbox"/> None
		<p>The proposal could better facilitate CUSC objective (iv) by promoting efficiency as it is encouraging oversubscribed projects to leave the connections queue. This could create a more efficient queue with only those projects that meet the Clean Power 2030 targets.</p> <p>However, this may not better facilitate objective (ii) of effective competition. By putting a financial security on projects, this would favour</p>	

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		those with a higher financial backing and may cause projects, such as community projects, to drop from the queue.
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We can see the value in a proposal looking to reduce the connections queue on technologies where there is significant oversubscription.</p> <p>Connections Reform was introduced to create a “ready” and “needed” connections queue, but with massive oversubscription in some technologies, there are projects being awarded a Gate 2 offer that are not necessarily “needed”. By not introducing a measure, unviable projects may remain in the queue with no real incentive to remove themselves to allow for those viable projects to progress.</p> <p>On the other hand, the queue may naturally decrease through attrition once all offers are issued and customers decide whether they wish to accept these or not.</p> <p>Introducing a financial security may cause viable projects to drop from the queue and risk causing further network studies and delays post G2tWQ. We could see this being of less risk where the proposal only targeted phase 2 offers.</p>

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3	Do you have any other comments?	No
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Similar to our response for question 1, we feel this proposal could discriminate against projects with less financial backing which will hinder effective competition. Meanwhile, by reducing the battery queue, the efficiency of balancing could be improved with the queue aligning more to the targets set under Clean Power 2030.</p>

Specific Workgroup Consultation questions

6	Do you agree with the workgroup's understanding of the issues which	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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	oversubscription creates?	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
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 Click or tap here to enter text.
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 If this proposal is accepted, we agree with the activation threshold of 50% oversubscribed as this indicates a significant oversubscription from the Gate 2 to Whole Queue exercise. We agree with the deactivation being set at 25% initially, but we would suggest this figure is under constant review. Although oversubscribed from what was initially set under CP30, there

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		may be a need for more battery projects than initially allowed under CP30, and so being flexible with this deactivation threshold is important.
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 are in favour of this being applied at national level.</p> <p>At regional level, there may be areas that are undersubscribed and do not fall in scope of this fee. However, this undersubscribed area could contain projects that are unviable and without a financial incentive may remain in the queue. If this creates undersubscription in some areas and more capacity is required, this could be open for applications in future windows.</p>
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Click or tap here to enter text.
12	Do you agree with the proposal to apply the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	OTCF as a securities floor?	
		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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 Click or tap here to enter text.

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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 Click or tap here to enter text.
18	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No An implementation date of July 2027 will allow for all projects from the Gate 2 to Whole Queue to be issued and accepted or rejected by customers. By July 2027, there should therefore be a full connections queue with a clear picture of how natural attrition has affected the connections queue. If this proposal is to be implemented, we feel a date of July 2027 is suitable.
19	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No We do not feel a charge of £1.5K/MW should be imposed on every project in the connections queue. This proposal was raised to target

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		oversubscription technologies and as such we should focus on these projects.
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