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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:	Gareth Williams	
Company name:	Scottish Power Energy Networks	
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Phone number:	07570371685	
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 checked="" 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 checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		We believe that the Original Proposal better facilitates Applicable Objectives ii and iv versus the current baseline. Little pressure is put on non-viable projects with a G2tWQ offer to leave the queue in favour of more financially viable ones. This proposal provides an incentive for less viable projects to remove themselves. This encourages competition between developers to deliver the most robust and economically viable projects.	

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		Removing oversubscribed technologies will also improve the efficiency for industry to deliver connections against the CP30 timescales.
2	Do you support the proposed implementation approach?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>The issue of BESS oversubscription is not an emerging issue and has been perpetuated by the introduction of project protections. Given this, Ofgem has time to consider all available options and evidence when coming to a decision. To support this proposal, the workgroup should give detailed consideration to the likely impact of this modification.</p> <p>The implementation approach being at the first biannual securities statement after both i) All offers from G2tWQ have either been signed or lapsed, and ii) All offers from the first Gated Application Window have either been signed or lapsed means that OTCFs will be required from eligible projects at the earliest October 2027.</p> <p>This modification will not directly address the issue of oversubscription of BESS in the G2tWQ Gated Design Process.</p>
3	Do you have any other comments?	There are currently other proposals being considered by Government and Ofgem to address the oversubscription issue, and the decision on addressing this issue should not be taken in isolation.

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		<p>For example, the counter proposal for disapplication of protection clauses 3a/b is more readily quantifiable and should be considered further.</p> <p>Nobody has been able to quantify the potential impact on the oversubscribed queue that CMP470 might have, and it would be helpful if this was investigated further by relevant parties. As such, we think it is important for an Impact Assessment to be carried out and documented by the workgroup.</p> <p>If this modification is approved or still under consideration by Ofgem when developers are considering their Gate 2 Offers, then there is a signal sent to the market that they need to account for additional financial securities in their current business case. We can't predict developer behaviour. However, developers can choose to not accept their Gate 2 Offer, receive a Gate 1 AtV and have securities refunded. Under NESO's current policy this may result in Abortive Costs. If Ofgem take a swift decision not to approve the mod, then it minimises this risk.</p> <p>Should CMP470 result in significant volumes of projects self-removing themselves from the queue prior to the conclusion of Gate 2 to Whole Queue, what would the additional abortive costs be on the GB consumer.</p>
4	Do you wish to raise a Workgroup Consultation	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section of CMP470)</p> <p><input checked="" type="checkbox"/> No</p>

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	Alternative Request for the Workgroup to consider?	N/A
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
		N/A

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>TOs are obligated to design and build a network that accommodates battery connections that are not currently 'needed' (not Strategically Aligned). The consequences include:</p> <ul style="list-style-type: none"> delays to the connection dates of other technologies in the Queue, where the oversubscribed technology has a higher queue position and is in the same area/PoC. Misalignment of resources which could be targeted at those required to meet CP30. Potential for the overdesign/underutilisation of the network and stranded assets where

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		<p>projects that are oversubscribed ultimately do not connect.</p> <ul style="list-style-type: none"> • Increase in cost to GB consumer for overdesign.
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 checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>GB wide there are 27 Export only BESS projects, and these are technically unviable without their co-located technology.</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>No developer is likely to admit that their project is unviable, and there are certainly technical and economic factors that can contribute to a project's viability, but this is difficult to identify and quantify at this stage.</p> <p>Existing queue management tools will not have an impact in the short term. What is required is either a mechanism to force a decision by the developers (until that point their project is still viable), or for Government to effectively remove a proportion of projects.</p>
9	Do you agree with the proposed activation	<input type="checkbox"/> Yes

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	threshold of 50% oversubscription and deactivation threshold of 25% oversubscription?	<input checked="" type="checkbox"/> No
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input checked="" type="checkbox"/> Yes - National <input type="checkbox"/> No - Regional We are broadly comfortable that the OTCF should apply nationally.
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 We agree that the proposed timing of the OTCF seems reasonable. The OTCF should have immediate effect from acceptance of a Gate 2 Offer and be applied up to the completion/energisation date.
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No This applies a level of fairness to projects with proportionally higher securities.
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 The OTCF should be cost reflective of the aim that is desired – the economics and methodology for this belong to the developer/NESO market. Again, we would recommend an Impact Assessment is carried

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		out to ascertain what level of impact each proposed level of OTCF would have on project attrition.
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 As applied in the Connection Methodologies each technology is treated separately based on its impact on the system.
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No No Comment.
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 Provided abortive costs are covered by securities and liabilities (which should be the case), we agree that the OTCF funds for projects that terminate should be returned to 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 This appears to be a sensible precaution and mitigation against unforeseen issues.
18		<input type="checkbox"/> Yes

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	Do you agree with the proposed Alternative Request 1 solution?	<input checked="" type="checkbox"/> No This alternative proposal delays implementation and impact on the queue in the near term, reducing the immediate benefits of removing oversubscribed technologies from the queue.
19	Do you agree with the proposed Alternative Request 2 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No There could be some merit in further examination of this proposal, but it seems that the proposed security level (£1.5K/MW) is too low to encourage attrition at the rate required.