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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:	Mark Lawrence	
Company name:	Conrad Energy	
Email address:	Mark.Lawrence@conradenergy.co.uk	
Phone number:	07432 600 776	
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 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 checked="" type="checkbox"/>i <input type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> </table> <p>Original Proposal generally promotes efficiency in network planning and implementation.</p>	Original	<input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
Original	<input checked="" type="checkbox"/> i <input 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 type="checkbox"/>Yes <input checked="" type="checkbox"/>No </p> <p>We generally propose initial implementation of the OTCF is deferred until March 2028, in line with Alternative Request 1.</p>		
3	Do you have any other comments?	None		
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 checked="" type="checkbox"/>Yes <input type="checkbox"/>No </p>		

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	impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	Yes, we generally agree with this assessment as addressing BESS oversubscription is unlikely to impact the ability to procure balancing services and does not appear to conflict with the Article 18 terms and conditions.
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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 Yes, we generally agree with the identified issues of oversubscription.
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 Click or tap here to enter text.
8	Do you have any comments on the Workgroups understanding of technical and economic viability of projects?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We generally agree with the workgroup's understanding of viable projects however, it should be noted for distribution connections in particular a project's viability may be dependent on securing a future non-firm interim connection/date under

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		Technical Limits or similar, which at present can only be reviewed and established post acceptance of a Gate 2 offer and post conclusion of the wider G2TWQ process.
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 We agree the activation and deactivation thresholds are appropriate.
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No National oversubscription is deemed more appropriate, mainly as regional thresholds would appear overly complex to manage.
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 <input checked="" type="checkbox"/> No No, our view is implementation of the OTCF should be deferred until March 2028 in line with Alternative Proposal 1. We otherwise agree the OTFC should remain in place until energisation, or more likely until oversubscription has been suitably reduced below the proposed thresholds.
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?	
		Yes, we agree with applying the OTCF as a floor, noting interaction with the PCF. Although we agree the OTCF and PCF are unlikely to apply simultaneously in any case.
13	Do you agree with the level of the OTCF, including minimum and maximum levels if changing over time?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>No, we do not agree with the current proposal of an initial £3k/MW OTCF, increasing up to a potential £25k/MW.</p> <p>Our strong preference is an initial OTCF of £10k/MW, also capped at £10k/MW or capped at £1m per project (whichever is lower).</p> <p>We believe this increased level of initial OTCF will better serve to swiftly remove unviable projects from the queue while also simplifying the administrative burden of managing the OTCF by not imposing 6-monthly increments.</p>
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, we generally agree with this approach, in particular noting this would not apply where an oversubscribed technology is due to connect after the non-oversubscribed technology(s).
15		<input checked="" type="checkbox"/> Yes

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	Do you agree that the OTCF should apply as well as the PCF?	<input type="checkbox"/> No Yes, we generally agree, although noting the OTCF and PCF are unlikely to apply simultaneously in any case.
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 Yes, we generally agree with this approach, mainly as it is unclear where else OTFC funds could be appropriately distributed.
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 Yes, we agree NESO should retain the option not to implement the OTCF in a scenario it is not deemed necessary. This may be useful if other measures are implemented that will serve to remove oversubscribed technologies from the queue, either directly or indirectly, via NESO or UK Government.
18	Do you agree with the proposed Alternative Request 1 solution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes, we strongly support deferring implementation of the OTCF until March 2028.

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		<p>We believe this will allow sufficient time for necessary natural attrition and the new reformed queue to settle.</p> <p>Also allowing sufficient time for non-firm connection opportunities to be assessed and offered under Technical Limits or otherwise, which is likely to be key in determining a distribution project's ultimate viability.</p>
19	Do you agree with the proposed Alternative Request 2 solution?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>No, we do not support a flat £1.5k/MW OTCF as we do not believe this will provide sufficient incentive for unviable projects to leave the Gate 2 queue.</p> <p>Our general preference is an initial OTCF of £10k/MW, also capped at £10k/MW or capped at £1m per project (whichever is lower).</p>