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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:	Dennis Gowland	
Company name:	Research Relay Ltd	
Email address:	dennis@researchrelay.com	
Phone number:	07739392965	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input 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 checked="" 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
		Possibly – given that the very high level of BESS oversubscription currently published.	
2	Do you support the proposed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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	implementation approach?	I think there are deficiencies in the current Original and alternatives.
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 CMP470) <input type="checkbox"/> No
		A WG alternative is being considered, depending upon the Proposer's and WG's response to suggestions put forward.
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
		Click or tap here to enter text.

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?	Although, hopefully, this and other contributions to the debate through this consultation will be beneficial.
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 Currently there is no estimate available.
8	Do you have any comments on the Workgroups understanding of technical and economic viability of projects?	<input type="checkbox"/> Yes <input type="checkbox"/> No This understanding is predicated in single projects whereas sometimes viability also considers other projects connecting at the same place.
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 Yes, with the caveat that thresholds would be better if there was flexibility for regional/local considerations where efficiency of infrastructure use would be apparent. The insertion into the Original (and relevant alternate) of a minimum oversubscription quantum of 5GW is very

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		welcome to allow newer technologies an opportunity to make a valuable contribution to the energy mix without the disincentive of the OTCF.
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input type="checkbox"/> Yes <input type="checkbox"/> No OTCF based on an amount of National oversubscription is too blunt an instrument. It can disincentivise local/regional use of a balance of primary energy production from intermittent renewables and storage which would otherwise allow more efficient use of high-cost transmission infrastructure. An example could be a strategic link to a peripheral area with a high and varied resource of renewable electricity, where primary generation and storage could allow the link to operate at near capacity continuously thus reducing the need for additional links to allow for TEC considerations.
11	Do you agree with the proposed timing of the OTCF from implementation or Gate 2 contract signature (whichever	<input type="checkbox"/> Yes <input type="checkbox"/> No Probably not enough time for queue attrition to bite.

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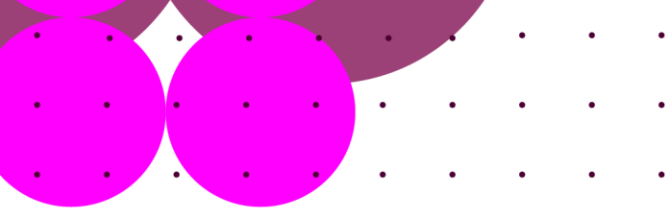
	is sooner) up to energisation?	
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Up to a point. Those projects with high securities because of high-cost cable links will soon exceed the OTCF level. Those battery storage projects where costs are mostly driven sub-station connections are likely to be impacted more. Perhaps this is the main thrust of the proposal?
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 I think the maximum level is too high, particularly for smaller players in the market, and that the OTCF should be capped at £15k per MW
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 Subject to a minimum level of the primary generation technology which would be linked to a given co-located battery storage - then in the interests of efficient use of the system, and

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		<p>subsequent benefit to consumers, then OTCF should not be applied. For instance -a battery could be co-located to a wind farm of similar capacity (or say a significant proportion) without triggering OTCF, whereas a project co-locating a small wind generator just to avoid the fee would fail.</p> <p>We note parameter 6 in the consultation document. Exemption condition 2 is too restrictive given that no additional connection costs are allowed - this seems unrealistic in that even £1 extra would render the battery project open to the OTCF.</p>
15	Do you agree that the OTCF should apply as well as the PCF?	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<p>According to the proposer's view this would hardly ever happen given the requirements of a gate 2 offer.</p>
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
		<p>Click or tap here to enter text.</p>

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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Up to a point. This alternative offers a few months relief compared to the Original and may give a little more time for natural attrition to occur in the National picture. However drawbacks concerning the high cap and the lack of any regional or local granularity and unrealistic arrangements for co-location are common to the Original
19	Do you agree with the proposed Alternative Request 2 solution?	<input type="checkbox"/> Yes <input type="checkbox"/> No Maybe - up to a point. This alternative acts more like a tax and may not act as the deterrent that the Authority/DESNZ may require. The lower level of cash taken out of the pot for project development may be of significant relief to smaller developers.



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