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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:	Tom Kenyon-Brown	
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Email address:	Tom.kenyonbrown@renewcopower.com	
Phone number:	07842426584	
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

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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 type="checkbox"/> iv <input checked="" type="checkbox"/> None
		<p>Do not agree with the proposers assessment that there will be a positive impact on competition. This will negatively impact competition by distorting the BESS project pipeline based on ability to pay, or the cyclical nature of investor risk appetite.</p> <p>Also expect this to further discredit GB as an investment environment for power system based investment, as it would demonstrate a</p>	

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		<p>fragility and fickleness to the regulatory framework as opposed to stability and consistency after a direction of travel is taken; which would damage the future supply of generation and storage investment and damage competition.</p> <p>Further, it will not promote efficiencies in NESOs Administration of CUSC arrangements as claimed as it will not reduce the amount of BESS projects that need to receive Gate 2 Offers. There will be no reduction in the amount of work required by NESO and the networks to produce these offers. A Gate 2 Amnesty held before or in Summer 2026 still has the potential to do so by enabling projects that have received a Gate 2 Notification, but for whatever reason now do not intend to proceed, to exit without triggering cancellation charges- which they would be able to do by rejecting Gate 2 Offers after the significant amount of work has been completed by NESO and networks. The vast majority of the work is in the production of Offers; regardless of a charge there will be a high level of Attrition (explained below) and administering this charge is likely to counteract any minor efficiency gained in having some projects removed earlier hence not needing to continue to administer those Offers.</p>
2	Do you support the proposed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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	implementation approach?	<p>There is not one clear implementation approach shown in the consultation. Do not agree that it should be implemented immediately after Gate 2 Offers are sent.</p> <p>Even a long delay of 12months to allow the Gate 2 Queue to play out does not make sense based on the stated objectives, in leaving a very narrow window for anything to apply to CP2030 projects.</p>
3	Do you have any other comments?	Rather than finding a compromise to implement it at a later date, we strongly suggest shelving this proposal and revisiting it in future years if a strong justification emerges.
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)</p> <p><input checked="" type="checkbox"/> No</p> <p>Rather than finding compromise alternatives, we strongly suggest shelving this proposal and revisiting it in future years if a strong justification emerges, and developing it to sufficiently target the identified problem.</p>
5	Do you agree with the Workgroup's assessment that the modification does not	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

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impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	Did not see this assessment in the Consultation. Apologies if I missed this.
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Specific Workgroup Consultation questions

6	Do you agree with the workgroup's understanding of the issues which oversubscription creates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>There is significant supply out to 2035, but in terms of the CP2030 challenge that is referred to multiple times within this consultation, there is 34.5GW of Gate 2 Offers, of which there will likely still be some attrition, and networks may be unable to connect all these projects in the timeframes available. Those projects due to connect by 2030 will likely see securities or capital contributions/ milestone payments ramping up soon after receiving Gate 2 Offers, so this will be sufficient incentive for unviable projects to not sign these, or terminate soon afterwards prior to ramp up of costs. Additionally the PCF is able to be triggered to capture poor delivery of the pipeline.</p> <p>Further, it will not promote efficiencies in NESOs Administration of CUSC arrangements as</p>

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		<p>claimed as it will not reduce the amount of BESS projects that need to receive Gate 2 Offers.</p> <p>There will be no reduction in the amount of work required by NESO and the networks to produce these offers. A Gate 2 Amnesty held before or in Summer 2026 still has the potential to do so by enabling projects that have received a Gate 2 Notification, but for whatever reason now do not intend to proceed, to exit without triggering cancellation charges- which they would be able to do by rejecting Gate 2 Offers after the significant amount of work has been completed by NESO and networks. The vast majority of the work is in the production of Offers; regardless of a charge there will be a high level of Attrition (explained below) and administering this charge is likely to counteract any minor efficiency gained in having some projects removed earlier hence not needing to continue to administer those Offers.</p> <p>This would be an added complication in an already complicated framework.</p>
7	Do you have evidence which may support the	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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	Workgroup in understanding what proportion of projects in the Gate 2 queue are unviable?	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 type="checkbox"/> Yes <input type="checkbox"/> No <p>As noted in the Consultation, there will be a saturation point for more GWs of BESS in particular time frames and locations depending on the system challenges (volatility/ constraints/ other system operability issues) and hence forecast revenues available.</p> <p>BESS will naturally follow these requirements and while some investors may choose to invest ahead of need to secure market position, in general the market need needs to be apparent prior to investment. This is particularly relevant to raising debt, for which much of the market will be trying to access the same pool.</p> <p>As a result, the most efficient and 'best' in terms of delivering system needs, should end up being built. These projects may be lost in the event of distortive additional securities being applied to the pipeline.</p>
9		<input type="checkbox"/> Yes

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	Do you agree with the proposed activation threshold of 50% oversubscription and deactivation threshold of 25% oversubscription?	<input type="checkbox"/> No As per previous comments do not agree with the proposal in principle.
10	Do you think the OTCF should apply based on national or regional oversubscription?	<input type="checkbox"/> Yes <input type="checkbox"/> No As per previous comments do not agree with the proposal in principle. But National is more appropriate as Regional is subject to too much change and puts too much emphasis on Strategic Planning being perfectly accurate.
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 type="checkbox"/> No As per previous comments do not agree with the proposal in principle. If it goes ahead it should certainly allow the market to have the opportunity to sign and adapt to Gate 2 Offers.
12	Do you agree with the proposal to apply the	<input type="checkbox"/> Yes <input type="checkbox"/> No

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	OTCF as a securities floor?	As per previous comments do not agree with the proposal in principle.
13	Do you agree with the level of the OTCF, including minimum and maximum levels if changing over time?	<input type="checkbox"/> Yes <input type="checkbox"/> No As per previous comments do not agree with the proposal in principle.
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 Colocation by extension implied bay sharing. Therefore there is no impact of a BESS project preventing another technology from connecting.
15	Do you agree that the OTCF should apply as well as the PCF?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No As per previous comments do not agree with the proposal in principle.
16	Do you agree that any OTCF funds relating to a customer which does	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	not go on to energise should be returned to consumers via TNUoS?	As per previous comments do not agree with the proposal in principle, but this would be an appropriate use of funds.
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 As per previous comments do not agree with the proposal in principle. However if taken forward, NESO, in agreement with Ofgem should have the option.
18	Do you agree with the proposed Alternative Request 1 solution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Additional time to allow the Gate 2 Offers to play out is essential.
19	Do you agree with the proposed Alternative Request 1 solution?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Further comment on process:

This proposal and consultation has been rushed, with an unacceptable duration for response. It is inconceivable that the Code Administrator or Regulator would believe that it is appropriate to have 22 working days from Proposal form to the

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end of the Workgroup consultation. Those sorts of timescales are usually reserved for severe crisis situations where an issue urgently needs to be resolved, which this cannot claim to be.

This encourages poor policy development and reduces the quality of workgroup and wider industry input. Consequences of this approach are a narrow representation of input from the proposer and those in industry with a strong vested interest, which may align with those organisations who are have sufficient dedicated resource to engage and shape this proposal.

Allowing such code development weakens the premise and resilience of these codes to anticompetitive behaviours. For this reason alone, this proposal should be paused.

Further comment

This proposal gives NESO and networks an 'out' in being proactive to

- 1) firmly queue manage, kicking projects out that fail to meet milestones or payment deadlines, and
- 2) finding more efficient connection solutions for this significant volume of BESS.

We are still not of the opinion that BESS, and most system flexibility solutions should be 'planned' in the way that NESO are trying to do. Even in a centrally planned environment, market signals and delivery costs for flexibility solutions are evolving quicker than plans could adapt, and it is essential for the lowest cost power system to allow the cheapest and most effective form of flexibility to scale up in response to system needs, primarily driven by the levels of (planned) renewables coming onto the system.

It should be seen as a positive that there is so much large scale flexibility available to the system out to 2035, and the onus should now be on connecting the flexibility that can justify the investment case do so most efficiently, and not

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destroying confidence so much so that beyond the short term, much of this pipeline disappears.

The meaning of 'efficient connections' primarily refers to bay sharing with priority large renewable or demand connections, therefore removing the argument of BESS projects being a 'blocker' to renewable connections and having the added benefit of providing system support 'at source'.

Thank you for the opportunity to respond.