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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](mailto: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](mailto:cusc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Ollie Easterbrook	
<b>Company name:</b>	National Grid Electricity Distribution	
<b>Email address:</b>	Oeasterbrook@nationalgrid.co.uk	
<b>Phone number:</b>	Click or tap here to enter text.	
<b>Which best describes your organisation?</b>	<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 type="checkbox"/> Other

#### 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:**

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*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:**

- 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
		Objective i – No impact  Objective ii – Negative. A new financial tool to tackle oversubscription is anti-competitive for smaller developers without the significant financial backing to be able to post this security. It is not for the connections process to decide that more 'economical' projects should be the ones that remain. If milestones are met and costs funded, projects should be managed on an equal footing. Economics should be a decision for the developer outside of connection costs.          Objective iii – No impact	

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		Objective iv – Negative. The original proposal will be challenging for NESO to implement and manage alongside the existing securities process. This will add an additional layer on top of the PCF to be managed bi-annually for only a subset of projects who relate to an oversubscribed technology.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  In principle, we are supportive of implementation after all Gate 2 offers have been signed.
3	Do you have any other comments?	N/A
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 <a href="#">CMP470</a> ) <input checked="" type="checkbox"/> No  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		<input checked="" type="checkbox"/> Yes
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	Do you agree with the workgroup's understanding of the issues which oversubscription creates?	<input type="checkbox"/> No
		N/A
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
		No. As yet this information is unavailable. Projects have not been subject to queue management yet. It is also not possible to assess financial viability since Gate 2 Offers are still being issued.
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
		Customers are already required to pay the securities associated with works, the PCF and costs of connection. Applying a further financial tool will unfairly disadvantage smaller projects and developers. Viability of a project should not be driven by ability to post increasing securities. This may cause an otherwise viable project to become unviable.
9	Do you agree with the proposed activation threshold of 50% oversubscription and deactivation threshold of 25% oversubscription?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>No. The activation and deactivation thresholds should be the same. This would be a more straightforward approach.</p> <p>Post Connections Reform Implementation oversubscription is not likely to be a recurring defect.</p>

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10	Do you think the OTCF should apply based on national or regional oversubscription?	<input type="checkbox"/> Yes <input type="checkbox"/> No  <p>Nationally. Regional zones would be challenging to manage for DNOs and NESO under the enduring securities process. NGED agrees with the general risks outlined in the consultation around disincentivising investment in other areas.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <p>No. Subjecting customers to the security early does not allow for attrition from the queue as a result of milestone management. Robust management of milestones will remove slow moving projects disadvantage smaller, embedded projects less.</p> <p>The OTCF should be applied along with MM statements.</p> <p>The same risk around projects with distant connection dates having to secure was present with the PCF. We don't agree with this principle. Making it milestone linked like the PCF would encourage projects to meet milestones sooner than they need to purely to remove the security.</p>
12	Do you agree with the proposal to apply the OTCF as a securities floor?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <p>No. This will impact community-led or smaller projects who might not be triggering works but would now have a security floor introduced when previously they weren't required to place a 'minimum' security.</p>

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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. £25k/MW is too high. The financial mechanism proposal from NESO before CMP448 put forward a security of this magnitude. The value was reduced with the proposal and implementation of CMP448 due to the wider impact on industry.</p> <p>Any additional security should be commensurate with the PCF.</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
		<p>Yes. However, it should only apply to the oversubscribed technology element of the connection.</p> <p>Consideration must be given to the process regarding the break up hybrid projects and the network impacts.</p> <p>We note that this will be challenging for all parties to implement</p>
15	Do you agree that the OTCF should apply as well as the PCF?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>Yes. The PCF may not be triggered when the OTCF is triggered. To apply the securities selectively will add bureaucracy to an increasingly complex process.</p> <p>Applying one or the other would also diminish the impact of the PCF.</p>
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?	
		Yes. This would align with the existing approach used for securities and cancellation charges.
17	Do you agree that NESO should have the option not to implement the OTCF if the activation threshold is breached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		No. NGED favours the approach taken as with the PCF. Ofgem should decide based on NESO data.
18	Do you agree with the proposed Alternative Request 1 solution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Yes. Provided that those subject to the OTCF have the security bulk issued in line with the existing processes. NGED is not supportive of a burdensome approach based on time elapsed after individual offer dates that is costly for networks to manage.
19	Do you agree with the proposed Alternative Request 2 solution?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>No. NGED disagrees with the 9 month implementation period. Impacted projects would have different implementation dates. This would mean DNOs, NESO and TOs managing this process would need to develop a complicated administrative methodology.</p> <p>However, the lower fee is more amenable, minimising the impact to smaller projects.</p>