

CMP470 would introduce an OTCF based on a cancellation charge and securities floor. The table below is a worked example of how the OTCF floor would change over time in the Original solution, showing:

- Activation based on oversubscription being above 50% (from implementation, assumed to be 2027 P2)
- Ramping when oversubscription has reduced by less than 25% between securities statements (2028 P1)
- Not ramping when oversubscription has reduced by more than 25% (2028 P2)
- Deactivation when oversubscription falls below 25% (2029 P1)

This based on hypothetical, highly illustrative capacities and changes in the total BESS over time, purely to demonstrate the mechanics of the OTCF floor. It is **not** a forecast of how oversubscription would change if the OTCF were introduced.

Note securities P1 is April to September and P2 October to March.

Securities Period	Total BESS	BESS Capacity Target	Over-subscription	Change in over-subscription	OTCF floor - Original	Notes
2027 P1	90GW	29GW <i>(2035 target from CP30)</i>	61GW 210%	n/a	n/a – not yet implemented	
2027 P2	90GW	40GW <i>(assumed SSEP increase)</i>	50GW 125%	n/a	£3k/MW	Oversubscription above 50%, so OTCF activated
2028 P1	80GW	40GW	40GW 100%	-10GW -20%	£5k/MW	Oversubscription reduced by less than 25% so OTCF ramps
2028 P2	55GW	40GW	15GW 37.5%	-25GW -62.5%	£5k/MW	Oversubscription reduced by more than 25% so OTCF does not ramp
2029 P1	45GW	40GW	5GW 12.5%	-10GW -67%	£0	Oversubscription below 25% so OTCF deactivated

The cancellation charge and securities floor is then applied to each project based on its pre-CMP470 securities profile. That is based on the securities and liabilities introduced by CMP192.

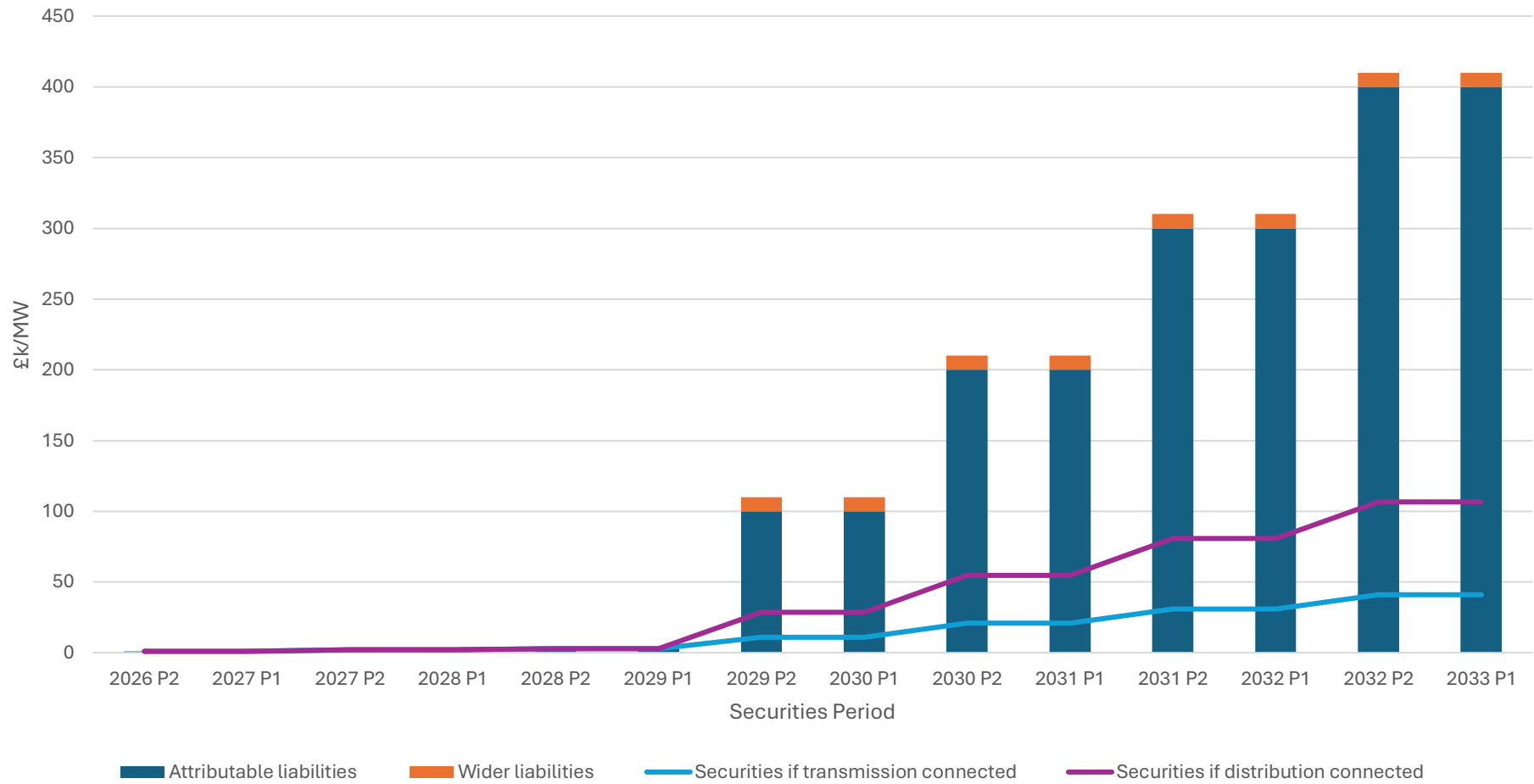
As an example of how the OTCF could apply in practice, consider a hypothetical 50MW BESS.

- No co-location
- Signs a Gate 2 Offer in 2026 Q3 connecting 2033 Q1
- Has planning consent
- Opted for fixed securities under current arrangements with total liability of £20m (Attributable works).
- Relatively high wider cancellation charge of £10k/MW

It's liability profile pre-CMP470 is shown in the table and chart below, alongside the securities profile if transmission connected (10% after planning consent and trigger date) and if distribution connected (26% after planning consent and trigger date)

Securities date (6 monthly statement)	Attributable liabilities pre-CMP470 (£k/MW)	Wider liabilities pre-CMP470 (£k/MW)	Total liabilities pre-CMP470 (£k/MW)	Securities if transmission connected (£k/MW)	Securities if distribution connected (£k/MW)
2026 P2	£1	£0	£1	£1	£1
2027 P1		£0	£1	£1	£1
2027 P2	£2	£0	£2	£2	£2
2028 P1		£0	£2	£2	£2
2028 P2	£3	£0	£3	£3	£3
2029 P1		£0	£3	£3	£3
2029 P2	£100 (£5mn total)	£10	£110	£11	£29
2030 P1		£10	£110	£11	£29
2030 P2	£200 (£10m total)	£10	£210	£21	£55
2031 P1		£10	£210	£21	£55
2031 P2	£300 (£15m total)	£10	£310	£31	£81
2032 P1		£10	£310	£31	£81
2032 P2	£400 (£20m total)	£10	£410	£41	£107
2033 P1		£10	£410	£41	£107

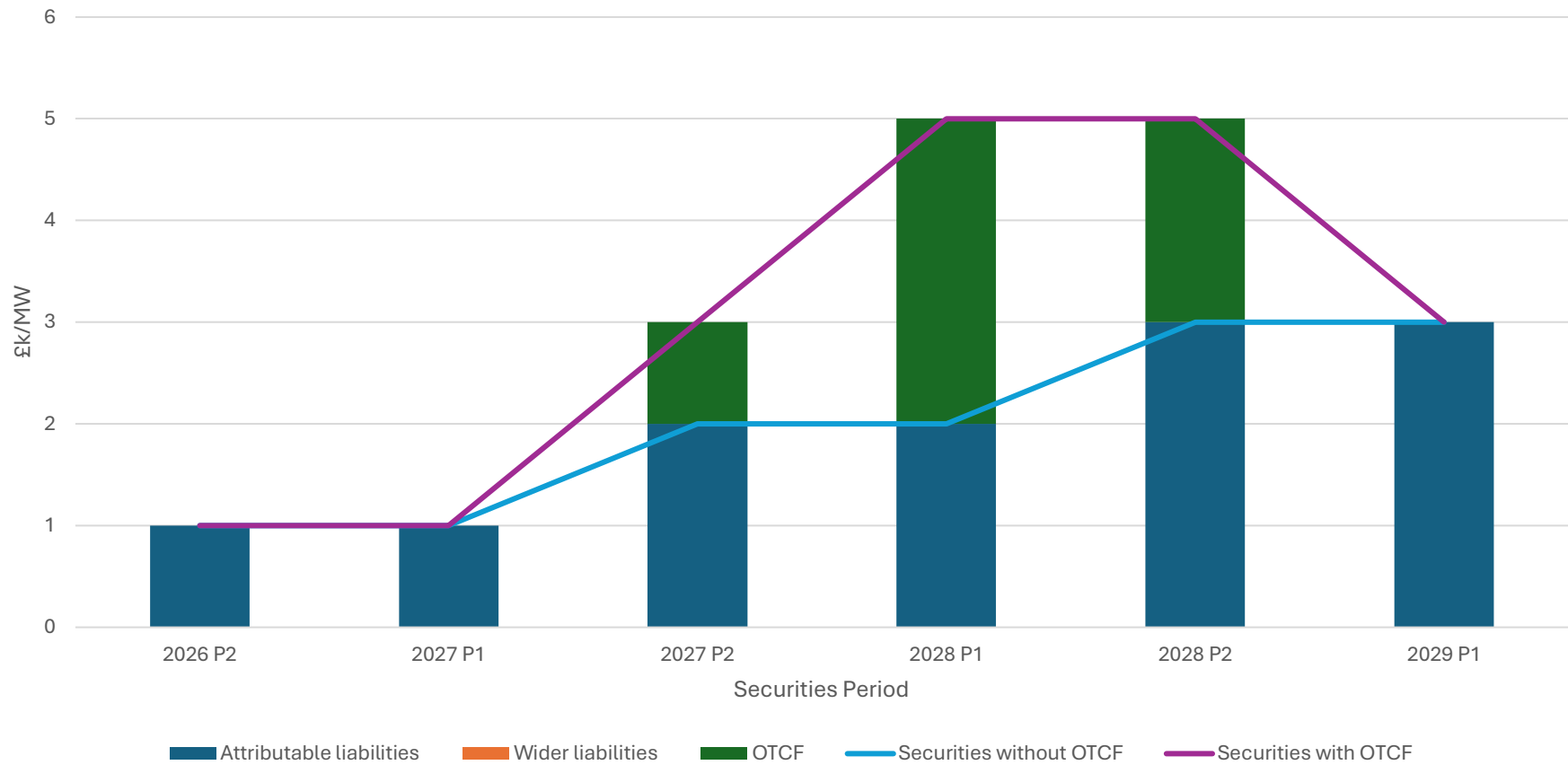
Illustrative Cancellation Charge and Securities Profile



Applying the worked example of the securities floor from the first table gives cancellation charge and securities shown in the table and chart below:

		Cancellation Charge			Securities if Transmission connected			Securities if Distribution connected		
Securities date (6 monthly statement)	CMP470 Floor (£k/MW)	Pre CMP470 (£k/MW)	Post CMP470 (£k/MW)	Change (£k/MW)	Pre CMP470 (£k/MW)	Post CMP470 (£k/MW)	Change (£k/MW)	Pre CMP470 (£k/MW)	Post CMP470 (£k/MW)	Change (£k/MW)
2026 P2	£0	£1	£1	£0	£1	£1	£0	£1	£1	£0
2027 P1	£0	£1	£1	£0	£1	£1	£0	£1	£1	£0
2027 P2	£3	£2	£3	£1	£2	£3	£1	£2	£3	£1
2028 P1	£5	£2	£5	£3	£2	£5	£3	£2	£5	£3
2028 P2	£5	£3	£5	£2	£3	£5	£2	£3	£5	£2
2029 P1	£0	£3	£3	£0	£3	£3	£0	£3	£3	£0
2029 P2	£0	£110	£110	£0	£11	£11	£0	£29	£29	£0
2030 P1	£0	£110	£110	£0	£11	£11	£0	£29	£29	£0
2030 P2	£0	£210	£210	£0	£21	£21	£0	£55	£55	£0
2031 P1	£0	£210	£210	£0	£21	£21	£0	£55	£55	£0
2031 P2	£0	£310	£310	£0	£31	£31	£0	£81	£81	£0
2032 P1	£0	£310	£310	£0	£31	£31	£0	£81	£81	£0
2032 P2	£0	£410	£410	£0	£41	£41	£0	£107	£107	£0
2033 P1	£0	£410	£410	£0	£41	£41	£0	£107	£107	£0

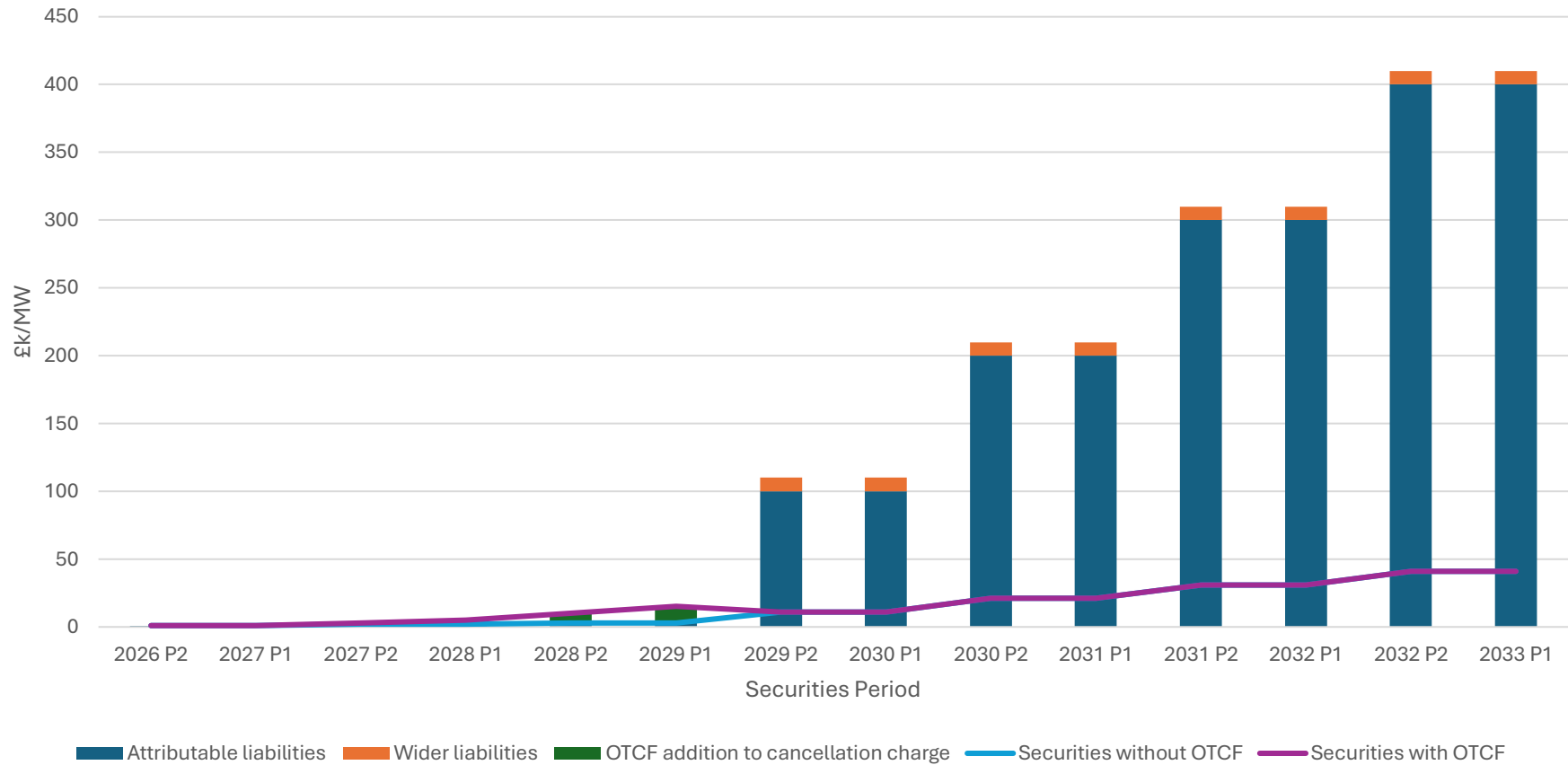
Illustrative OTCF Application if transmission connected (zoomed in on first three years)



Alternatively, applying the “worst-case” OTCF to this hypothetical securities floor (i.e. oversubscription does not come down so the securities floor continues to ramp every six months) is shown in the table and charts below.

		Cancellation Charge			Securities if Transmission connected			Securities if Distribution connected		
Securities date (6 monthly statement)	CMP470 Floor (£k/MW)	Pre CMP470 (£k/MW)	Post CMP470 (£k/MW)	Change (£k/MW)	Pre CMP470 (£k/MW)	Post CMP470 (£k/MW)	Change (£k/MW)	Pre CMP470 (£k/MW)	Post CMP470 (£k/MW)	Change (£k/MW)
2026 P2	£0	£1	£1	£0	£1	£1	£0	£1	£1	£0
2027 P1	£0	£1	£1	£0	£1	£1	£0	£1	£1	£0
2027 P2	£3	£2	£3	£1	£2	£3	£1	£2	£3	£1
2028 P1	£5	£2	£5	£3	£2	£5	£3	£2	£5	£3
2028 P2	£10	£3	£10	£7	£3	£10	£7	£3	£10	£7
2029 P1	£15	£3	£15	£12	£3	£15	£12	£3	£15	£12
2029 P2	£20	£110	£110	£0	£11	£20	£9	£29	£29	£0
2030 P1	£25	£110	£110	£0	£11	£25	£14	£29	£29	£0
2030 P2	£25	£210	£210	£0	£21	£25	£4	£55	£55	£0
2031 P1	£25	£210	£210	£0	£21	£25	£4	£55	£55	£0
2031 P2	£25	£310	£310	£0	£31	£31	£0	£81	£81	£0
2032 P1	£25	£310	£310	£0	£31	£31	£0	£81	£81	£0
2032 P2	£25	£410	£410	£0	£41	£41	£0	£107	£107	£0
2033 P1	£25	£410	£410	£0	£41	£41	£0	£107	£107	£0

Worst Case OTCF Application to Transmission Connected Example (Original)



Using the same illustrative change in oversubscription over time as used on page 1 for the Original, applied to each of the WACMs gives OTCF Floor as follows:

Securities Period	Over-subscription and change in over-subscription	OTCF floor - Original	WACM1	WACM2	WACM3	WACM4	WACM5	WACM6
2027 P1	61GW 210%	n/a – not yet implemented	n/a – not yet implemented	n/a – not yet implemented	n/a – not yet implemented	n/a – not yet implemented	n/a – not yet implemented	n/a – not yet implemented
2027 P2	50GW 125%	£3k/MW	Lower of £3k/MW and project maximum securities	£3k/MW up to M8, then £0	£2k/MW floor to cancellation charge only	£3k/MW	Up to M8, lower of: <ul style="list-style-type: none"> • £1k/MW (pre-trigger) or £2k/MW (post-trigger); and • Project maximum securities Then £0	Lower of £3k/MW and project maximum securities
2028 P1	40GW 100% Down 20%	£5k/MW	Lower of £5k/MW and project maximum securities	£5k/MW up to M8, then £0	£4k/MW floor to cancellation charge only	£5k/MW	Up to M8, lower of: <ul style="list-style-type: none"> • £2k/MW (pre-trigger) or £4k/MW (post-trigger); and • Project maximum securities Then £0	Lower of £5k/MW and project maximum securities
2028 P2	15GW 37.5% Down 62.5%	£5k/MW	Lower of £5k/MW and project maximum securities	£5k/MW up to M8, then £0	£4k/MW floor to cancellation charge only	£5k/MW	Up to M8, lower of: <ul style="list-style-type: none"> • £2k/MW (pre-trigger) or £4k/MW (post-trigger); and • Project maximum securities Then £0	Lower of £5k/MW and project maximum securities
2029 P1	5GW 12.5% Down 67%	£0	£0	£0	£0	£0	£0	£0

The “worst case” scenario for each WACM is shown below:

Securities date	Original	WACM1	WACM2	WACM3	WACM4	WACM5	WACM6
2027 P2	£3k/MW	Lower of £3k/MW and project maximum securities	£3k/MW up to M8, then £0	£2k/MW floor to cancellation charge only	£3k/MW	Up to M8, lower of: <ul style="list-style-type: none"> £1k/MW (pre-trigger) or £2k/MW (post-trigger); and Project maximum securities Then £0	Lower of £3k/MW and project maximum securities
2028 P1	£5k/MW	Lower of £5k/MW and project maximum securities	£5k/MW up to M8, then £0	£4k/MW floor to cancellation charge only	£5k/MW	Up to M8, lower of: <ul style="list-style-type: none"> £2k/MW (pre-trigger) or £4k/MW (post-trigger); and Project maximum securities Then £0	Lower of £5k/MW and project maximum securities
2028 P2	£10k/MW	Lower of £10k/MW and project maximum securities	£10k/MW up to M8, then £0	£6k/MW floor to cancellation charge only	£10k/MW	Up to M8, lower of: <ul style="list-style-type: none"> £3k/MW (pre-trigger) or £6k/MW (post-trigger); and Project maximum securities Then £0	Lower of £10k/MW and project maximum securities
2029 P1	£15k/MW	Lower of £15k/MW and project maximum securities	£15k/MW up to M8, then £0	£8k/MW floor to cancellation charge only	£15k/MW	Up to M8, lower of: <ul style="list-style-type: none"> £4k/MW (pre-trigger) or £8k/MW (post-trigger); and Project maximum securities Then £0	Lower of £15k/MW and project maximum securities
2029 P2	£20k/MW	Lower of £20k/MW and project maximum securities	£20k/MW up to M8, then £0	£8k/MW floor to cancellation charge only	£20k/MW	Up to M8, lower of: <ul style="list-style-type: none"> £4k/MW (pre-trigger) or £8k/MW (post-trigger); and Project maximum securities Then £0	Lower of £20k/MW and project maximum securities
2030 P1	£25k/MW	Lower of £25k/MW and project maximum securities	£25k/MW up to M8, then £0	£8k/MW floor to cancellation charge only	£25k/MW	Up to M8, lower of: <ul style="list-style-type: none"> £4k/MW (pre-trigger) or £8k/MW (post-trigger); and Project maximum securities Then £0	Lower of £25k/MW and project maximum securities