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CUSC Alternative and Workgroup Vote

CMP470: Introducing an Oversubscribed Technologies Commitment Fee

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 – Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

Stage 2 – Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) Vote on which of the options is best.

Terms used in this document

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

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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.*

Workgroup Vote

Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

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"Y" = Yes

"N" = No

"-" = Neutral (Stage 2 only)

"Abstain"

"NIA" = Not in attendance at the meeting

"I" = Ineligible to participate at the time of the vote

Important note - Alternative Request 3 was raised by a non-CUSC party and not adopted by a Workgroup member therefore no vote took place on this request.

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Workgroup Member	Alternative Request 1 Root Power, Alternative implementation Date	Alternative Request 2 Firstway Energy, Alternative Fixed One-Off Security	Alternative Request 4 Lightsource bp, OTCF value increments after activation	Alternative Request 5 OnPath Energy, OTCF Cap and Floor	Alternative Request 6 Zenobe, User Progression Milestone M8	Alternative Request 7 Enso Energy, Liabilities Floor	Alternative Request 8 NESO, Include co-located projects within scope of the OTCF	Alternative Request 9 Ethos/Innova Two-Stage OTCF Proportionate Treatment of Post 2030 Projects	Alternative Request 10 OnPath, OTCF Cap and Floor and no exceptions for co-located projects
Andrew Enzor	N	N	N	Y	Y	Y	Y	Y	Y
Andrew Dudkowsky	N	N	N	N	N	N	Y	N	N
Ahmed Dabb	NIA	NIA	NIA	NIA	NIA	NIA	Y	NIA	NIA
Alex Ikonic	Y	N	N	Y	Y	Y	N	Y	Y
Andrew Yates	Y	Y	N	N	N	Y	N	Y	NIA
Ciaran Fitzgerald	N	N	Y	Y	Y	NIA	Y	N	Y
Claire Hynes	N	N	N	Y	Y	Y	Y	Y	Y
Charles Deacon	Y	N	N	N	N	NIA	NIA	NIA	I

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Charles Saywell	N	Y	N	Y	Y	Y	N	Y	N
Charlie von Schmieder	NIA	NIA	NIA	NIA	NIA	NIA	NIA	NIA	N
Chris Terry	N	N	Y	Y	Y	NIA	NIA	Y	Y
Dennis Gowland	Y	N	N	Y	Y	Y	N	Y	N
Gareth Williams	N	N	Y	N	Y	N	Y	N	N
Garth Graham	N	N	Y	Y	Y	Y	Y	N	N
Gary Camplejohn	N	N	N	Y	Y	abstain	Y	Y	Y
George Radcliffe	N	N	Y	N	Y	Y	N	NIA	NIA
Grahame Neale	N	N	Y	N	Y	Y	Y	NIA	N
Grant Rogers	I	I	I	I	I	I	Y	NIA	NIA
Helen Stack	N	N	Y	Y	Y	N	Y	N	Y

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Henry McDonald	N	N	N	N	N	N	Y	N	Y
Joe Colebrook	Y	Y	N	Y	Y	Y	N	Y	Y
John Sturman	I	I	I	I	I	I	I	I	I
Julia McGee	Y	N	N	Y	Y	NIA	N	NIA	N
Kyran Hanks	N	N	Y	N	Y	Y	NIA	Y	N
Kimbrah Hiorns	N	N	Y	N	Y	N	N	NIA	N
Lamin Saidy Vulart	N	N	N	Y	Y	N	Y	Y	Y
Lee Wilkinson	N	N	N	Y	Y	N	Y	NIA	Y
Matthew Paige-Stimson	N	N	N	N	N	N	Y	N	y
Mithun Suresh	I	I	I	I	I	I	I	Y	I
Navdeep Singh Gora	N	N	N	N	N	N	Y	N	N

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Nik Froud	<i>I</i>	<i>I</i>	<i>I</i>	<i>I</i>	<i>I</i>	<i>I</i>	<i>I</i>	<i>I</i>	<i>I</i>
Ollie Easterbrook	Y	N	N	N	N	N	Y	N	N
Paul Youngman	Y	N	N	Y	Y	NIA	N	Y	N
Philip Patrick	N	Y	N	Y	Y	Y	N	NIA	Y
Philip Pateman	N	N	Y	Y	Y	Y	NIA	Y	Y
Ravinder Shan	N	N	N	Y	Y	NIA	N	Y	N
Robin Dunne	NIA	NIA	NIA	NIA	NIA	NIA	NIA	NIA	NIA
Rob Smith	N	N	N	Y	Y	Y	N	Y	Y
Ross O Hare	N	N	N	N	N	N	Y	NIA	N
Ross Wolhuter	abstain	abstain	abstain	abstain	abstain	Y	N	Y	N
Sam Aitchison	N	N	Y	Y	Y	Y	N	NIA	NIA
Sarah Lightfoot	Y	N	N	Y	Y	NIA	NIA	NIA	NIA

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Simon Wragg	Y	Y	N	Y	Y	NIA	N	Y	Y
Tom Palmer	N	N	Y	N	Y	Y	NIA	NIA	abstain
WACM?	-	-	-	WACM1	WACM2	WACM3	WACM4	WACM5	WACM6
Date of Vote	12 May 2026	12 May 2026	12 May 2026	12 May 2026	12 May 2026	14 May 2026	19 May 2026	28 May 2026	10 June 2026

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Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Andrew Enzor – Field Energy				
Original	-	Y	-	Y	Y
WACM1	-	Y	-	Y	Y
WACM2	-	Y	-	Y	Y
WACM3	-	Y	-	Y	Y
WACM4	-	Y	-	Y	Y
WACM5	-	Y	-	Y	Y
WACM6	-	Y	-	Y	Y
<p>Voting Statement: I consider all of the options presented an improvement to the baseline. However, there is significant variation between the extent to which the options meet the objective. To my mind, the options group into three:</p> <ul style="list-style-type: none"> Original, WACM2 and WACM4: <ul style="list-style-type: none"> These are the best options All three give a strong signal to developers of oversubscribed technologies to carefully consider the likelihood of their project proceeding, and by extension 					

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a signal to leave the queue should they not have strong confidence in their projects

- The differential between the Original and WACM2 (stopping at M8) is finely balanced. I am sympathetic to arguments that projects which have met M8 (and all previous milestones) are committed and so should not be required to demonstrate that commitment further. However, there is a gaming risk associated with milestones, with M8 not necessarily representing full construction start (i.e. all major contracts signed and contractors mobilised). Projects at that stage are also likely to already have higher securities, so are relatively unlikely to have securities increased by the OTCF. Hence on balance, we consider the Original better meets the objectives
- Likewise, the differential between the Original and WACM4 (excluding a co-located exemption) is finely balanced, but on balance I consider the Original the better option. Co-located projects which can connect with minimal network impact (which are those which would qualify for an exemption under the Original) should not be artificially held up by queue allocations. If the network is already in place to support the addition of the co-located technology (which, by definition, it is if the criteria for the exemption of the oversubscribed technology connecting later, having no increase in TEC, and having very low attributable works and connection costs), there is no reason to delay it. Hence, we consider the exemption appropriate, and by extension that the Original better meets the objectives than WACM4
- WACM1, WACM3 and WACM6:
 - These options do not meet the objectives as well as the previous group. Both give a relatively weak signal to developers of oversubscribed technologies
 - While I understand (and broadly support) the principle of WACM1 and by extension WACM6, too many projects have very low maximum securities for this to be a viable option for resolving oversubscription. The NESO dataset presented to the workgroup shows over half of the queue have maximum securities less than £2k/MW. So, under these options, securities will remain very low for the majority of the queue (noting that this may change as project securities are updated with the issuance of Gate 2 Offers)
 - The rationale for the values set in WACM3 was questionable when used for the PCF. It *might* have been a useful thought process for the PCF but does not directly read across to the OTCF where a stronger signal is required (particularly when oversubscription is high) to drive the behavioural change needed
- WACM5:
 - This option is the worst of the options presented
 - The step change at trigger is problematic. It risks a scenario in which projects in the early part of the queue face higher securities and so may leave the queue, making space for projects later in the queue to accelerate - not because they are better projects but because they have lower securities

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imposed on them by CMP470. That would be a perverse outcome in which less developed, later projects are able to capitalise on higher security requirements for near-term projects

- The level of the OTCF under this option are also very low. Projects opting for fixed securities will likely see no impact of the OTCF pre-trigger (their securities will already be above the £1k/MW floor). So, projects connecting to large, new substations will still be able to remain in the queue at very low cost until relatively close to connection, during which time other projects could be accelerated and/or TO resources better deployed
- However, despite the two drawbacks noted, we still consider this a better option than the baseline in which many projects have a free option to remain in the queue

Objective (i)

On balance, neutral, albeit there may be an argument that CMP470 better facilitates this objective by enabling NESO (and TOs) to more efficiently (and quickly) deliver licence obligations in relation to connections and facilitating Clean Power 2030. This argument is strongest for the Original, WACM2 and WACM4; less so for WACM1, WACM3 and WACM6; and weakest for WACM5.

Objective (ii)

My view remains largely unchanged from that presented in the proposal. (*"There is limited competitive pressure on relatively uneconomic projects with Gate 2 Offers to leave the queue and enable more economic projects with Gate 2 Offers to progress. This change introduces an economic incentive for developers of less viable projects to leave the queue and for developers of the best projects to remain, better facilitating competition between developers."*)

I note some concerns raised in the workgroup that the OTCF could drive market consolidation with projects moving from smaller, lightly capitalised developers to larger and/or well-capitalised developers. That is a feature of an industry moving from early development into delivery. Projects with Gate 2 Agreements should be actively moving towards construction as quickly as possible. That requires the developer working on the project to be sufficiently well-capitalised to construct the project. At levels anticipated for the OTCF in the near-term, all parties sufficiently well-capitalised to construct will also be well-capitalised enough to fund the OTCF.

The OTCF may accelerate the process of early-stage developers selling projects to developers intending to construct (and potentially operate) the project. In the context of pressing and very challenging CP30 targets, that should be seen as a positive development. However, it is important to note that even the most well-capitalised developers will not fund

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<p>the OTCF for projects which they do not have strong confidence in. Hence suggestions that the OTCF will drive widespread consolidation <i>without resolving oversubscription</i> (i.e. all projects remaining in the queue but changing hands from lightly capitalised to well-capitalised parties) is fanciful. Buyers will undertake thorough due diligence on every potential acquisition, and even buyers with the strongest balance sheets will not be willing to fund the OTCF for a collective 90GW+ of capacity – their due diligence will identify that the market will not sustain that volume being brought through FID and into construction and operations, and so their OTCF is very likely to be at risk for all but the best projects.</p> <p>These arguments are strongest for the Original, WACM2 and WACM4; less so for WACM1, WACM3 and WACM6; and weakest for WACM5.</p> <p>Objective (iii)</p> <p>No impact.</p> <p>Objective (iv)</p> <p>My view remains unchanged from the proposal. (<i>“NESO is currently dealing with more Gate 2 Offers than are needed. This change will reduce the number of Connection Agreements for BESS, improving efficiency in delivery of connections reform.”</i>) However, since the proposal, I have had more time to digest NESO’s connections methodologies consultation which was issued at the time the proposal was submitted. That consultation makes a strong case for the issues associated with oversubscription, as do TO responses to the CMP470 workgroup consultation.</p> <p>These arguments are strongest for the Original, WACM2 and WACM4; less so for WACM1, WACM3 and WACM6; and weakest for WACM5.</p> <div><div></div><div></div><div></div><div></div><div></div><div></div></div>

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Ash Adams – NESO				
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y
<p>Voting Statement:</p> <p>NESO recognises the issue that significant oversubscription of some technology types against CP30 targets creates and agrees that this could lead to inefficient allocation of connection resources. We agree that implementing a mechanism such as the OTCF which aims to remove less viable projects from the connections queue will help manage this issue.</p> <p>As the Original and all WACMs look to introduce a form of OTCF, NESO is of the opinion that the Original and all WACMs will all better facilitate ACO (iv). We assess the Original and all WACMs as neutral against the other ACOs when compared to the baseline CUSC.</p> <p>NESO believes that co-located and multiple stage queue items must be treated in line with the overall TMO4+ approach and objectives, as approved by Ofgem in April 2025. That approach treats co-located projects or staged projects as separate queue items that need to meet the Gate 2 criteria in their own right. The rationale for this approach is that it treats each queue item in line with how it behaves and the impact it has on the system operation, and on local and wider network investment requirements.</p> <p>To exclude co-located or later stage batteries would be to exclude queue items from scope that contribute to battery oversupply and that cause issues from a system operation and transmission works perspective. Co-located or multi-staged items were not given any preferential treatment under the approved TMO4+ approach or under the Progression</p>					

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Commitment Fee and we do believe it appropriate to treat them differently for the purposes of this proposal.

There are two WACMs which remove the exemptions for certain co-located projects from the Proposal, WACM 4 and WACM 6. In addition to removing the co-located exemption, WACM 6 also caps the OTCF Technology Floor at the Maximum Cancellation Charge Secured Amount. We do not believe that these arrangements in WACM 6 are better in relation to the ACOs than the arrangements in the Original Proposal. We therefore support WACM 4 as our preferred option.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Ahmed Dabb – Aura Power				
Original	-	Y	-	Y	Y
WACM1	-	N	-	N	N
WACM2	-	Y	-	Y	Y
WACM3	-	Y	-	Y	Y
WACM4	-	Y	-	Y	Y
WACM5	• -	• N	• -	• N	• N
WACM6	-	N	-	N	N
Voting Statement:					
No voting statement submitted					

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
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	Alex Ikonic – Roadnight Taylor				
Original	N	N	-	N	N
WACM1	N	N	-	N	N
WACM2	N	N	-	N	N
WACM3	N	N	-	N	N
WACM4	N	N	-	N	N
WACM5	N	N	-	N	N
WACM6	N	N	-	N	N

Voting Statement:

We do not believe that any option better facilitates the applicable CUSC objectives compared to the Baseline.

While some of the WACM's look to address some of the issues raised during workgroup discussions and could be seen to better facilitate some objectives compared to the Original proposal, overall, we continue to have significant concerns over progressing the OTCF proposal at this time and believe the Baseline to currently be the best option.

The concerns that have been highlighted throughout the workgroup discussions and consultation; in particular the risk of anti-competitiveness, opportunity for natural attrition and interactions with other actions being considered to tackle the same issue (but through different avenues and timelines), need to be meaningfully considered before options like the OTCF are pursued. This can be done through the Methodologies, and/or actions which can be taken by the TO's such as bay sharing or delayed allocation of bays.

The risk of unintended consequences should not be underestimated, particularly given the limited data that was available to assess the impact of the proposal fully. We believe that if a further modification needed to be raised in the future to correct any unintended consequences, this would not be an efficient use of industry time or effort. In our view, there is nothing to stop the OTCF proposal being raised, as urgent, in the future if the outcome of G2TWQ and the results support the case for it.

We also have concerns on the following:

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- Activation metric including Gate 2 status projects i.e. those who apply under the first CMP434 window but have not yet received an offer. This is more akin to “interest in connections” rather than real oversubscription and we do not believe it to be appropriate to include such projects. While the proposal assumes they will have more visibility of the contracted queue, we do not believe this would be the case based on G2TWQ offer timelines and next window (NESO expected timeline).
- No data on existing securities / liabilities available for small embedded projects (data provided by NESO was used to justify the scale of the OTCF £/MW value). Embedded projects are expected to make up a total of ~27GW of Gate 2 offers over Phase 1 & 2 and we do not believe it is appropriate to proceed with this proposal without properly considering the impact on these.
- Further information is also needed about the timelines for significant capital expenditure expected by TO's. This modification will not prevent TO's designing for the full pipeline of 90.6GW, so it is likely some design will need to be re-worked.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Andrew Yates – Statkraft				
Original	-	N	-	N	N
WACM1	-	N	-	N	N
WACM2	-	Y	-	N	N
WACM3	-	Y	-	N	N
WACM4	-	N	-	N	N
WACM5	-	Y	-	N	N
WACM6	-	Y	-	N	N
Voting Statement: We are in favour of the baseline but voice our support towards WACMs 2, 3 and 4 as these are more palatable financially.					

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The Connections Reform process has allowed an excess 62GW BESS to be protected but there is caution over the accuracy of the CP2030 capacity targets both through their original calculation and the ability to accurately forecast 10 years ahead for a relatively new technology. There will be natural attrition, and GB may need more BESS than original targeted given the projected rise in GB electricity demand, generation and storage capacity. This consideration must also inform SSEP (which projects 50–60GW up to 2050).

The volume of connections contracted in NGET's region (200GW by 2030) is overwhelming when compared to the 10 connections completed in 2024 and 6 in 2025. Before factoring in construction and outage complications, ramping up to the planned level of connection pace appears highly challenging to deliver (recent ENA dashboard on grid connections shows this – [Connections data – Energy Networks Association \(ENA\)](#)).

This underscores the need for NESO to issue offers as soon as possible to allow attrition to take place, solidifying the real-world connections queue that will underpin the delivery of 2030 projects.

There is an obvious concern about resource to deliver offered connections and schedule outages that must be reviewed further in line with an update on the Transmission Acceleration Action Plan.

- Critical for NESO to issue offers asap. Network design clarity will follow for NESO and TO's following acceptance or attrition. It must be clear that any gaps left by attrition must benefit the next project in the queue and not be open for new applications in a next window. The most practical approach is to design, and issue offers now and then refine and improve the queue based on attrition and a project's ability to go into construction and operation (e.g. indicated by inclusion within a CfD or LDES Cap and Floor scheme).
- Bay Sharing policy requires developing and implementing sooner.
- The unfreezing of securities will also be a significant influence on attrition. Phase 1 projects will need to commit significant funds to secure and protect their offers. Consideration is needed for Phase 2 projects to prevent developers holding onto capacity with de minimis commitment.
- Further consideration of the benefits of colocation projects at the same substations is required. The G2TWQ process to separate qualification of hybrid assets has not been helpful and may render an entire project unviable. Hybrid projects are viable as a whole and offer the most efficient connections to the network.
- We are of the belief that queue management milestones have not had subsequent time to embed and take effect. In a period within the industry where there is

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uncertainty (including around investor confidence), we see this as a further barrier/penalty to development of renewable projects required.

- We see the proposal and any WACMs increasing the already monumental admin burden on NESO.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Charles Saywell –Apatura Energy				
Original	-	N	-	N	N
WACM1	-	N	-	N	N
WACM2	-	N	-	N	N
WACM3	-	N	-	N	N
WACM4	-	N	-	N	N
WACM5	-	Y	-	N	N
WACM6	-	N	-	N	N
Voting Statement:					
<p>Our view is that the Baseline is the best option, allowing the queue to work naturally, and as projects connect at the front of the queue the economics for those further down the queue will force them to exit. The issue of the transmission operators being legally bound to build to the 90GW is an issue that needs to be tackled outside of the CUSC.</p> <p>Whilst the Original proposal will remove projects from the queue, the majority of projects it will remove will be viable projects owned by small developers with limited balance sheets. It is then likely that if these viable projects are near the front of the queue, they will be bought by larger developers, and the queue will not shorten. It is a highly uncompetitive proposal.</p> <p>Of the alternatives, WACM5 is the fairest, with reasonable levels of OTCF, enough to force a decision from truly unviable projects, but not overly punitive on smaller developers.</p>					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Charlie von Schmieder – Gresham House				
Original	N	N	N	N	N
WACM1	N	N	N	N	N
WACM2	N	N	N	N	N
WACM3	N	N	N	N	N
WACM4	N	N	N	N	N
WACM5	N	N	N	N	N
WACM6	N	N	N	N	N
Voting Statement: <p>There are other ways of dealing with the perceived downsides of oversubscribed technologies. Trying to do so via a CUSC Mod is like being in the engine room of the Titanic. The engine room can only change the speed of the ship. The ship's captain, on the ship's bridge, has a better overview of the situation and all options available – for example maintaining the same speed, but steering a difference course.</p> <p>Having more renewables and BESS projects (than is forecast as required at a particular time) ready to connect to the electricity system is a good thing for efficient system design and speed of implementation if requirements change. The country's electricity system is undergoing a generational huge shift where the future requirement is more uncertain than ever. Therefore, there should be a strong preference for flexibility and adaptability in future system make-up.</p> <p>It would be anti-competitive and damaging to the consumer and the economy to introduce unnecessary cost or reduce the projects available to connect.</p> <p>It is misconceived to assume that an OTCF will remove the least financially viable projects. It would impact most the projects with the lowest cancellation securities, which on the face of</p>					

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it are the most financially viable. It would impact most the project owners with the least spare capital available (lean capital management), not the least viable projects.

The message from this Working Group should be that projects should be kept in the queue and other ways to mitigate the downsides of a long queue should be explored and implemented.:

- Reducing early TO design effort is one.
- Charging the customer for the design effort is another (this is already in place).
- A "TEC Amnesty" is another option, already available. It would minimise the impact of withdrawing a project, rather than penalising withdrawal.

A thorough impact assessment of each option should be conducted before an option is chosen.

The proposed retrospective effect of the changes would have a detrimental effect on investor confidence, cost of capital and attractiveness of the UK as a place to do business. This would have a detrimental effect on the electricity consumer and the economy.

For the above reasons changing the baseline CUSC in any of the ways proposed is not necessary and would be counterproductive. In any case it too early to change the Baseline CUSC in an informed way.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Chris Terry – Fidra Energy				
Original	-	-	-	Y	Y
WACM1	-	-	-	-	N
WACM2	-	-	-	Y	Y
WACM3	-	-	-	N	N
WACM4	-	-	-	Y	Y

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WACM5	-	-	-	-	N
WACM6	-	-	-	-	N
Voting Statement: We agree and accept the defect identified in this modification. We believe the Original, WACM 2 and WACM 4 are better than the baseline and benefit consumers. WACM 1, WACM 3 are not sufficient deterrents to achieve the objectives that this modification seeks to achieve, and as such as worse than the baseline. Whilst there is little variance between WACM 2 and WACM 4 from the original, we believe the treatment of co-located sites should be treated the same as standalone sites where there is a technology section that is an OTCG technology. Without this, there is the potential for uncompetitive practices to prevail.					

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Ciaran Fitzgerald – ScottishPower Renewables				
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	• -	• -	• -	• Y	• Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y
Voting Statement: As outlined in more detail in our Workgroup Consultation response, we recognize the challenges that significant oversubscription vs the CP30 targets brings and are supportive					

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of the OTCF. We believe that the Original Proposal (as updated through the workgroup process) can be an effective solution to the defect.

Although the WACMs have various changes relative to the Original, the fundamentals of the OTCF and its potential impacts are along the same lines. We assess all the WACMs as neutral against Applicable Objectives i), ii) and iii), and positive against Applicable Objective iv) when considered against the baseline. We believe the OTCF (i.e. the Original and all WACMs) brings a significant benefit against AO iv). The aims and objectives of implementing Connections Reform are well understood and generally accepted. The unintended consequences of the protections and its impact on the BESS capacity in the Gate 2 Queue has been counterproductive to these aims. If this modification can enable a more efficient queue, which contains a higher % of viable projects, it will enable NESO to manage the queue more efficiently, with less waste and less requirements for re-work.

However, the different magnitude and design of the OTCF across the WACMs mean that they bring different levels of that benefit.

WACMs 3 & 5 - We believe the maximum OTCF of £8k/MW in WACMs 3 & 5 is not a sufficient deterrent to have the required impact on oversubscription.

WACM 2 - We believe the change proposed in WACM2 would have limited impact on the outcomes. However, following the workgroup discussion, we believe that having excess co-located BESS projects (even those within the subset of projects excluded in the Original) would still have negative impacts on the network companies, which would result in a less efficient connections queue. Therefore this is not the preferred option.

WACM 1 - As above, we do not prefer WACM1 as we believe the OTCF should apply to all oversubscribed projects.

Of the remaining WACMs (4&6) which apply the OTCF to all oversubscribed projects, we have selected WACM 4 as the preferred WACM, as it is a more significant incentive than WACM 6 for unviable, oversubscribed projects to exit the queue.

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Xuefei Zheng – RWE				
Original	-	N	-	N	N
WACM1	-	N	-	N	N
WACM2	-	N	-	N	N
WACM3	-	N	-	Y	N
WACM4	-	N	-	N	N
WACM5	-	N	-	Y	Y
WACM6	-	N	-	N	N

Voting Statement:

RWE does not believe that the any of the Original proposal and WACMs 1, 2, 3, 4 and 6 better meet the CUSC objectives than the baseline for the following reasons:

CUSC Objective 1: Neutral, no impact.

CUSC Objective 2: Negative: The Competition Act 1998 in the UK prohibits agreements or conduct that prevent, restrict, or distort competition, focusing on maintaining fair market rivalry to benefit consumers. We consider these proposals create barriers to entry to the U.K. energy generation market particularly for smaller developers who are less well-capitalised, and that the design levers drafted do not equitably operate based on the viability of a project. These proposals are therefore each likely to distort competition if implemented. However, we do acknowledge there will be some cost to the consumer if too many unneeded projects remain in the connection queue. We therefore encourage other interventions to be made by the government to address this in the round, as industry is unable to do so effectively and efficiently, due to the Connection Methodologies and the CUSC sitting under different governance frameworks. The design of this code modification does not meet CUSC Objective 2.

CUSC Objective 3: Neutral, no impact.

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CUSC Objective 4: Negative. RWE does not consider that this proposal will have the intended impact of removing unviable projects from the connection queue to address the issue sufficiently and will instead introduce increased CUSC administration requirements on parties to the code, reducing efficiency in the implementation and administration of the CUSC. Two of the alternates/WACMs 3 and 5 better facilitate objective 4 from an administration point of view as it is more appropriate to put the floor on the underlying liabilities that the project incurs.

Best Overall: WACM 5, RWE considers that this alternate prevents disproportionate OTCF exposure on far term connections which, when combined with queue optimisation, better facilitates the competition objective and facilitates more efficient administration of the process.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Dennis Gowland – Research Relay Ltd				
Original	Y	N	-	-	Y
WACM1	Y	-	-	-	Y
WACM2	Y	N	-	-	Y
WACM3	Y	-	-	-	Y
WACM4	Y	N	-	-	N
WACM5	Y	-	-	-	Y
WACM6	Y	N	-	-	N

Voting Statement:

Considering the data available from NESO, there is a clear oversubscription of Battery Storage projects which are requesting to connect to the UK Network when compared with the needs (technologies) as listed in the CP30 Action Plan. The Mod seeks to apply the solution to all technologies but it is clear that BESS is targeted in the first instance. What is

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proposed, including some of the WACMs is a relatively blunt tool which, in all cases, is arrived at considering a National rather than regional basis. There is a trade off between considering all BESS projects the same and the potential to differentiate between those offering local and network benefits. The Mod also needs to avoid unintended consequences which may occur when a one-size-fits-all approach is taken and where the defect is identified as a single-issue problem at a particular point in time.

During the WG process and including the WG consultation exercise, the Original has been revised over several iterations and in our view has improved the prospects of avoiding the potential pitfalls discussed. WACM6 and WACM4 give no opportunity to balance the benefits of some co-locating projects where there is limited impact on costs to the consumer or other users, but where there may be an increased efficiency in the use of high-cost transmission links.

WACMs 1, 2, 3, and 5 give some relief in terms of the maximum level of OTCF and or its application. Though in the case of WACMs 1, 3 and 5 there is likely to be extra work needed by NESO to calculate the project-by-project exposure to OTCF.

WACMs which allow repayment of the OTCF after the project has clearly reached the stage of construction rather than wait until energisation which may involve delays beyond the control of the project seem to be fairer. These include WACMs 2, 3 and 5.

WACMs 3 and 5 seek to make a distinction between the exposure of projects to OTCF at pre-trigger and post trigger which is a material consideration and would be less of a disadvantage to less financially powerful players.

Applicable objectives:

- i) By virtue of aiding connections reform and alignment with CP30 the Original and all WACMs are better than baseline.
- ii) Competition may not be aided by high levels/impact of OTCF per project in that very high levels of OTCF may give a relative advantage to users with 'deeper' pockets. Solutions are marked either worse than baseline or neutral according to the levels of OTCF or the conditions of its application.
- iii) All neutral
- iv) All solutions add a level of administrative burden but there may be a balancing benefit elsewhere, so we have noted as neutral.

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Gareth Williams – Scottish Power Transmission				
Original	-	Y	-	Y	Y
WACM1	-	Y	-	Y	Y
WACM2	-	Y	-	Y	Y
WACM3	-	-	-	-	N
WACM4	-	Y	-	Y	Y
WACM5	-	-	-	-	N
WACM6	-	Y	-	Y	Y
Voting Statement: <p>The Original, WACMs 1,2,4 and 6 facilitate the Applicable Objectives (ii) and (iv) better than the baseline as these all add financial pressure on viable projects with a Gate 2 offer to leave the queue. This encourages competition between developers to deliver the most robust and economically viable projects. Removing oversubscribed technologies will also improve the efficiency for industry to deliver connections against the CP30 timescales.</p> <p>However, the proposals will maintain oversubscription at between 125%-150%, with the full effect potentially not seen for multiple securities cycles. Further measures will still be required to manage oversubscription to avoid the risk of stranded assets and longer connection dates for other parties.</p> <p>I believe that WACM3 and WACM 5 are less likely to deliver against these objectives and would dilute the overall impact of the proposed modification.</p>					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Garth Graham – SSE Generation				
Original	-	Y	-	Y	Y
WACM1	-	-	-	N	N
WACM2	-	-	-	N	N
WACM3	-	-	-	N	N
WACM4	-	Y	-	Y	Y
WACM5	-	-	-	N	N
WACM6	-	-	-	N	N

Voting Statement:

Having considered the Applicable CUSC Objectives, I vote in support of CMP470 Original and WACM4 (as better in terms of (ii) and (iv) and neutral in terms of the other objectives) with the Original proposal as 'best'; and I vote against WACM1, WACM2, WACM3 and WACM5 (as negative in terms of (iv) and neutral in terms of the other objectives).

The CMP470 Original proposal introduces an Oversubscribed Technologies Commitment Fee (OTCF), imposing a minimum securitisation requirement on projects in technologies that exceed Clean Power 2030 (CP30) targets to address the stated defect (issue).

CMP470 Original

Addressing queue oversubscription

- The Workgroup has been presented with clear evidence of a defect (issue) in terms of significant and persistent oversubscription, particularly in battery storage technology, where the quantum of the connection queue (~90 GW) substantially exceeds the quantum of the CP30 requirements (~30 GW).
- Existing reforms to the CUSC (CMP434/435) that were designed to address the substantial connection queue have (now that they are, in the case of CMP435, being practically applied) not fully resolved this, with protected projects (in the new,

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CMP435, connection queue) advancing despite exceeding the CP30 system need, creating inefficiencies and delaying viable projects.

- The Original solution directly targets this defect (issue) by requiring meaningful financial commitment from projects in the relevant (oversubscribed) technology, encouraging attrition of speculative or non-viable projects.

Facilitating effective competition (Applicable Objective ii)

- The Proposer and the Workgroup (as set out in the Workgroup Report) have, in my view, evidenced that by removing the “free option” behaviour (low-cost queue holding), the OTCF promotes a market where connection queue positions are held by credible, committed projects, not speculative ones.
- This levels the playing field for genuinely deliverable projects competing for scarce connection capacity.
- With this financial mechanism (the OTCF), it enhances competition quality, shifting from the quantity of participants to the quality and deliverability of competition.

Promoting efficiency (Applicable Objective iv)

- The current connection queue (in the context of any substantially oversubscribed technology) imposes system-wide inefficiencies, including network redesign (and early build-out?), delays to other projects, and increased overall costs to end consumers.
- OTCF drives self-selection and timely exit, reducing these unnecessary connection queue deficiencies when it comes to any substantially oversubscribed technology.
- The biannual review and adjustable fee levels create a dynamic, responsive mechanism aligned with system need.

Overall

Taking account of the evidence (as set out during the Workgroup deliberations) the Original proposal is, in my view, targeted, technology-specific, and immediately effective change to the CUSC making it the most robust mechanism to address the identified defect.

WACM4

Having considered the evidence, I also support WACM4 as a credible and complementary development of the Original (and, as such, aligning with the comments I make above in

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<p>terms of the Original and the Applicable Objectives) reflecting NESO’s system-wide perspective.</p> <ul style="list-style-type: none">• WACM4 builds on the same core principle (of the Original) but introducing additional commitment signals.• As with the Original, it reflects operational practicality, ensuring implementation aligns with existing security frameworks and system processes.• The WACM4 solution supports queue management discipline while maintaining flexibility in application. <p>That having been said, when compared with the Original, I consider the Original to be ‘Best’ overall.</p> <p><u>WACM1, WACM2, WACM3, WACM5 and WACM6</u></p> <p>General concern</p> <p>Across these five WACMs, a common weakness is that they do not, in my view, sufficiently address the core defect (issue) that CMP470 raises, namely <i>‘excessive queue positions held without meaningful commitment, leading to inefficiency and distorted competition’</i>.</p> <p>WACM1 & WACM6</p> <ul style="list-style-type: none">• Insufficient strengthening of the OTCF financial signal.• Risks continuing speculative connection queue holding and failing to materially reduce oversubscription in the technology (and do so in a timely manner for both other developers and networks). <p>WACM2</p> <ul style="list-style-type: none">• This solution, it seems to me, will be overly incremental or process-based, relying on existing mechanisms rather than introducing a step-change in incentives.• It does not address the low marginal cost of connection queue retention for oversubscribed technologies. <p>WACM3</p> <ul style="list-style-type: none">• It does not directly tackle oversubscription economics for the technology to which the OTCF would apply.

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- Risks perpetuating inefficient connection queue occupation by oversubscribed technology projects.

WACM5

- This solution appears to be more complex.
- It lacks the clear, transparent, technology-targeted mechanism needed to drive behavioural change for those projects that fall within the oversubscription description.
- Risks delayed or uncertain impact on these projects, contrary to the need for urgency identified by the Proposer (and network colleagues, during the Workgroup deliberations).

Conclusion on WACMs 1, 2, 3, 5 & 6

Taking account of the defect (issue) identified in CMP470, none of these five WACMs provide a sufficiently strong, immediate or targeted intervention to:

- reduce connection queue congestion for any substantially oversubscribed technology,
- improve competition quality, or
- enhance system efficiency.

Therefore, they are; when taken in the most favourable light; neutral in terms of all the Applicable Objectives, except (iv) where they are Negative, in my view, as they would not promote efficiency in the implementation and administration of the CUSC arrangements.

Conclusion

- CMP470 Original 'best' facilitates CUSC Objectives (ii) and (iv) through a clear, effective financial signal targeting projects in any substantially oversubscription technology.
- WACM4 is also better, in terms of these two objectives, but slightly less effective in immediacy and impact (when compared to the Original)
- The other five WACMs (1, 2, 3, 5 & 6) fail to resolve the underlying defect (issue) and are, overall, not better.

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Alastair Southworth - Harmony Energy Ltd				
Original	-	Y	-	Y	Y
WACM1	-	Y	-	Y	Y
WACM2	-	Y	-	Y	Y
WACM3	-	Y	-	Y	Y
WACM4	-	Y	-	Y	Y
WACM5	-	Y	-	Y	Y
WACM6	-	Y	-	Y	Y
Voting Statement: We support and consider all of the options presented to be an improvement on the current baseline. However, there are material differences in the extent to which the options achieve the objectives, particularly in relation to managing oversubscribed technologies and improving the efficiency of queue management under Connections Reform. We deem the original, WACM2 and WACM4 to be the most effective in giving the correct signals to industry. This will provide a clear message to those projects in which their projects are unviable/unfeasible to leave the queue.					

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Grahame Neale - LightsourceBP				
Original	-	Y	-	Y	Y

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WACM1	-	Y	-	Y	Y
WACM2	-	Y	-	Y	Y
WACM3	-	Y	-	Y	Y
WACM4	-	Y	-	Y	Y
WACM5	-	Y	-	Y	Y
WACM6	-	Y	-	Y	Y

Voting Statement:

Original – There is no effective incentive for unviable projects in oversubscribed technologies to relinquish their capacity in a timely manner. This proposal would improve the efficiency of the connections process by providing this incentive and so is better than the current baseline arrangements in relation to ACO (ii) and ACO (iv).

WACM1 – Compared to the Original, we believe WACM1 does provide an incentive but it is not as strong or effective as the Original and is more administratively complicated than the Original. Overall, we believe WACM1 is less positive than the Original against ACO (ii) and ACO(iv).

WACM2 – Similar comments to the Original, however removing this incentive when projects begin construction is sensible (as a very low risk of projects in construction not connecting) and so is more positive than the Original against ACO (ii) and equal to the Original regarding ACO (iv).

WACM3 – We believe the lower £/MW cap and applying the cap to liabilities (rather than securities) will make this option less effective than the Original and so, whilst still positive, is less positive than the Original regarding ACO (ii). We believe WACM3 is equally positive compared to the Original in respect of ACO (iv).

WACM4 – We believe the treatment of hybrid projects under the Original is fair and tries to capture oversubscribed technologies which have a lower network impact. We believe the removal of this under WACM4 reduces the positivity of ACO (ii) but increases the positivity of ACO (iv) due to its lower complexity (vs the Original), however overall, we believe the Original is a better solution compared to WACM4.

WACM5 – The lower £/MW cap will make this option less effective than the Original and the addition of two 'tiers' of charge based on the trigger date will add administrative complexity

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compared to the Original. So, whilst still positive, it is less positive than the Original regarding ACO (ii) and ACO (iv).

WACM6 – For similar reasons described in WACM1 and 4, whilst still positive WACM6 is less positive than the Original regarding ACO (ii) and ACO (iv).

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Grant Rogers – Q Energy				
Original	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
WACM1	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
WACM2	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
WACM3	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
WACM4	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
WACM5	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
WACM6	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>	<i>Abstain</i>
Voting Statement: Due to not being present for the more recent presentations on the latest WACM's I did not feel it appropriate to vote having not given a full review of each WACM on merit, due to time constraints. As a result, voting was abstained for each option.					

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
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	Helen Stack – Centrica				
Original	Y	Y	-	Y	Y
WACM1	Y	Y	-	Y	Y
WACM2	Y	Y	-	Y	Y
WACM3	-	-	-	N	N
WACM4	Y	Y	-	Y	Y
WACM5	-	-	-	N	N
WACM6	Y	Y	-	Y	Y

Voting Statement: ACO (i)

The Original and WACMs 1, 2, 4 and 6 give the Licensee better tools to manage the queue. By accelerating attrition of oversubscribed technologies in the queue, the Licensee will be better able to focus its resources on efficiently connecting the viable projects needed for Clean 2030. This should result in viable, needed projects being connected in a timelier and more cost-effective manner, with knock-on positive impacts for the Licensee's wider obligations.

ACO (ii) – The Original and WACMs 1, 2, 4 and 6 should facilitate effective competition in generation by enabling viable, needed projects to connect quicker.

ACO (iii) – All options are neutral as this is not relevant for compliance with the Electricity Regulation.

ACO (iv) – For the Original and WACMs 1, 2, 4 and 6, I see this as borderline neutral to positive depending on how you interpret the objective. On the one hand, these options all add complexity to the CUSC, but they have the objective of improving the efficiency of the CUSC arrangements overall.

WACM3 and WACM5 are less likely to deliver against these objectives and would dilute the overall impact of the proposed modification. As WACM3 and WACM5 don't deliver benefits that outweigh the additional complexity added, I view these as overall not an improvement on the baseline.

WACM1, WACM2 and WACM6 represent improvements on the baseline, but do not address the defect as well as the **Original or WACM4**.

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WACM4 is my preferred option.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Khamun Ward – Voltwise Power Holdings Limited				
Original	Y	Y	-	Y	Y
WACM1	Y	Y	-	N	Y
WACM2	Y	Y	-	Y	N
WACM3	Y	N	-	Y	N
WACM4	Y	Y	-	Y	Y
WACM5	Y	Y	-	N	N
WACM6	Y	Y	-	N	Y
Voting Statement: We would support WACM4 because it provides a clearer, more consistent and more effective application of the OTCF to all oversubscribed projects. By removing the exemption for certain co-located arrangements, WACM4 reduces the risk of loopholes or differential treatment between projects that can have a similar effect on queue management and network planning outcomes. This supports the core policy intent of the modification: to create a stronger and more credible incentive for oversubscribed technologies to rationalise more quickly, giving Transmission Owners and the market greater confidence over which projects are likely to proceed. In our view, WACM4 therefore offers a more robust and transparent framework, better aligning with the objective of improving connection queue discipline and enabling more efficient delivery of network investment and connection reform outcomes.					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Joe Colebrook - Innova				
Original	Y	N	-	N	N
WACM1	Y	N	-	N	N
WACM2	Y	N	-	N	N
WACM3	Y	N	-	N	N
WACM4	Y	N	-	N	N
WACM5	Y	N	-	N	N
WACM6	Y	N	-	N	N
Voting Statement: <p>While Innova recognises that CMP470 may contribute positively to Objective i) by supporting the efficient discharge of obligations imposed on the Licensee under the Act and License, particularly in relation to network planning and providing ambitious connection dates to all projects, the proposal falls short in several critical areas.</p> <p>The OTCF mechanism, as drafted in the Original and all WACMs, operates as an escalating “pay-to-stay” requirement. This risks distorting competition by advantaging large, well-capitalised Developers and penalising smaller Developers or those with less robust balance sheets, with no regard to the of underlying project deliverability or specific investment risks. The use of a per MW fee will disadvantage larger projects that can provide the lowest cost of energy through economies of scale. CMP470 could lead to consolidation of projects into the few very well capitalised energy storage companies, without necessarily reducing oversubscription, and it will likely reduce the average size of a battery project. Therefore, CMP470 does not facilitate effective competition and may have a net negative outcome for consumers. Innova note that whilst all WACMs will reduce competition, WACM3 and WACM5 will have a materially less negative impact because the fee is a lower and more manageable £8k/MW instead of the potential £25k/MW. The evidence provided by the NESOs Revenue Team suggests that a £2k/MW fee would create a material cost for >80GW of the BESS queue. A £2k/MW would require £200,000 for a 100MW project and this may</p>					

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create significant challenges for projects that are still investable but cannot accept this additional development cost and additional risk on their investment (Objective ii).

Innova agree with the Workgroup's assessment that CMP470 does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code (objective iii).

The complexity of technology triggers, thresholds, ramping, and co-location rules introduces significant administrative burden and risks undermining efficiency in implementation and administration of Section 15 of the CUSC. Users already struggle to understand the User Commitment Methodology and find it incredibly complex. The OTCF, on top of the approved PCF, adds significant complexity, which is not intuitive (Objective iv). The proposal's reliance on a financial instrument (£/MW charge) as a proxy for scarce network resources is misaligned and may not target the actual drivers of constraint (Objective iv).

CMP470 is a blunt tool, and the mechanism selects for access to capital rather than deliverability or consumer value, which is inherently anti-competitive and likely to drive consolidation rather than genuine queue attrition, likely to the detriment of consumers.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Julia McGee - Ørsted				
Original	Y	N	-	Y	Y
WACM1	Y	Y	-	Y	Y
WACM2	Y	N	-	Y	Y
WACM3	Y	Y	-	Y	Y
WACM4	Y	N	-	Y	Y
WACM5	Y	Y	-	Y	Y
WACM6	Y	Y	-	Y	Y

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Voting Statement:

Ørsted is broadly supportive of actions which seek to mitigate oversupply and accelerate the pace of the connections process. Beyond natural attrition, it remains clear that further action is needed to pare down the volume of batteries in the queue to a level better aligned with what is needed on the system.

Across all Options, we believe that they better facilitate ACOs (i) and (iv) than the Baseline. By reducing oversubscription and incentivising levels of supply to equilibrate down to what is needed on the system, NESO will avoid having to spend resources preparing connections offers for projects which are ultimately unviable. Viable projects of undersubscribed technologies will not risk having their connections offers delayed due to unnecessary time spent preparing offers for oversubscribed technologies. Finally, network companies will save time and resources that would have otherwise been spent updating the network to accommodate projects which are not needed.

The Original Proposal, WACM2, and WACM4 do not better facilitate ACO (ii) compared to the Baseline. The maximum level of the securities floor has the potential to introduce an excessively negative impact on the economics of viable projects which remain in the queue. This design parameter may disadvantage developers with fewer financial resources who cannot pay such a level of securities, but whose projects may otherwise be viable. Such a consequence could reduce competition among generators and concentrate the ownership of projects in the connections queue to those with greater financial resources.

We agree with the Workgroup's assessment that the modification (and all Options) do not impact ACO (iii).

We are supportive of the design parameter in WACM2, WACM3, and WACM5 which disapplies the OTCF when all Queue Management Milestones have been met. Applying the OTCF through to energisation is overburdensome, and meeting all Queue Management Milestones demonstrates sufficient evidence of maturation and viability to satisfy the intent of the OTCF.

We broadly do not support the application of the OTCF to projects which co-locate an oversubscribed technology with another technology. Co-located technologies represent an opportunity to unlock significant system value. Specifically in the case of battery storage, which can participate in the system either as generation or demand, co-location with generation enables the efficient use of network infrastructure, and a reduction in curtailment. This can secure reliable revenues for generators, lower wholesale costs for off-

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takers, and avoid constraint costs for consumers. This system value should not be jeopardised due to the implementation of additional financial securities.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Kimbrah Hiorns - EDF Power Solutions				
Original	-	Y	-	Y	Y
WACM1	-	-	-	N	N
WACM2	-	Y	-	Y	Y
WACM3	-	-	-	N	N
WACM4	-	N	-	N	N
WACM5	-	-	-	N	N
WACM6	-	N	-	N	N
Voting Statement: <p>I am supportive of the need to address the oversubscribed battery queue with a mechanism to drive the exit of unviable projects from the queue. Sufficient evidence has been provided to the workgroup to justify that an intervention is needed to ensure that viable battery projects are able to proceed without undue delay.</p> <p>Given the intent of this modification, I do not see the value in the OTCF applying beyond M8. By this point, a project has already evidenced significant commitment to the project, including substantial financial investment and construction activities. This alternative enhances the original proposal by ensuring that the OTCF does not introduce undue financial pressure on viable, proceeding and needed projects. WACM2 is therefore my preferred solution which best facilitates the ACOs.</p> <p>I do not support WACMs 4 or 6 on the basis that co-located projects which have less impact on the network should not be subject to the undue burden introduced by these alternatives. I</p>					

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believe WACMs 4 and 6 will present an anti-competitive barrier to the progression of co-located projects, compared to the proportionate treatment of the original proposal.

I do not support WACMs 1, 3 and 5 on the basis that they do not appropriately balance the need for a strong incentive. I have therefore voted negative against ACO (iv) for these WACMs on the basis that they introduce administrative burden on the NESO without offering a strong enough signal to address the defect.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Kyran Hanks - Waters Wye				
Original	Y	N	-	Y	Y
WACM1	Y	N	-	Y	Y
WACM2	Y	N	-	Y	Y
WACM3	Y	N	-	Y	Y
WACM4	Y	N	-	Y	Y
WACM5	Y	N	-	Y	Y
WACM6	Y	N	-	Y	Y

Voting Statement:

The issue of the oversubscribed battery queue – with more to come – means that all of these proposals are superior to the baseline. Connections Reform has not given NESO any way to determine how to select what projects should meet the CP30 targets set in December 2024. It remains a frustration that it seems unclear whether the Transmission Operators should be building to the queue as is or the target published by the Government.

On objective i, any of these proposals will give NESO tools to manage the queue to a more plausible level. I agree with others that the market would in the end sort out this situation.

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But that might take many years, so a way of enhancing NESO's tools will improve its discharge of its obligations.

On objective ii, this is tricky. In principle, over-supply of batteries – while not being good for battery developers – would be better for competition and customers. The counter to this is that over-supply might well keep viable projects off the bars and it might be better to get to viable projects using these mechanisms. On balance, over supply will be good for competition – albeit a bit chaotic, and so while finely balanced, I conclude objective ii is not met.

On objective iii, there is no link to the compliance criteria.

On objective iv, all the schemes seem to promote efficiency in the implementation of the CUSC arrangements. A less chaotic queue management process than the baseline would create a more efficient process.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Lamin Saidy - Qair UK				
Original	Y	Y	-	Y	Y
WACM1	N	N	-	N	N
WACM2	N .	N .	- .	N .	N .
WACM3	N	N	-	N	N
WACM4	Y	Y	-	Y	Y
WACM5	Y	Y	-	Y	Y
WACM6	Y	Y	-	Y	Y
Voting Statement:					
No voting statement submitted.					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Lee Wilkinson – On Path Energy				
Original	N	N	-	Y	N
WACM1	Y	Y	-	Y	Y
WACM2	N	N	-	Y	N
WACM3	Y	Y	-	Y	Y
WACM4	N	N	-	Y	N
WACM5	Y	N	-	Y	Y
WACM6	Y	Y	-	Y	Y
<p>Voting Statement:</p> <p>We believe that the Original Proposal (and WACMs 2 and 4 which closely mirror it) would have a distortive effect on the market by removing relative differences between projects liabilities which reflect actual network impact, and favouring developers with large balance sheets who can afford the potentially high levels of the OTCF and therefore these do not facilitate <i>effective</i> competition or fairness, a key component of the license obligations.</p> <p>By imposing a two-stage OTCF, WACM 5 significantly weakens the effect of the OTCF as those projects with later connection dates will likely be able to pay the much lower OTCF and keep their speculative connections, thereby reducing the “clearing out” effect of this modification and not producing the desired increase in certainty for TOs. Despite this deficiency we believe it is better than the baseline and other proposals bar WACMs 1, 3 and 6.</p> <p>In contrast, WACMs 1, 3 and 6 avoid both of these issues by applying equally to all projects, capping securities at a figure projects had already agreed to (in the case of WACMs 1 and 6) or by severely reducing the security required (in the case of WACM 3).</p> <p>So WACMs 1, 3 and 6 would ensure that only committed projects remained in the connections queue and increasing the certainty that TOs had in future projects when designing the network. In this way, the system would become more efficient (ACO iv),</p>					

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increase competition by reducing the congestion in the grid queue and allowing more developers to connect their projects (ACO ii) while avoiding market distortions and anti-competitive practices (ACO i).

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Matthew Paige Stimson - NGET				
Original	Y	Y	-	Y	Y
WACM1	Y	Y	-	Y	Y
WACM2	N	N	-	Y	N
WACM3	N	N	-	N	N
WACM4	Y	Y	-	Y	Y
WACM5	N	N	-	N	N
WACM6	Y	Y	-	Y	Y
Voting Statement: <p>NGET agrees with the intent of this proposal: material oversubscription, beyond system need, undermines the objectives of Connections Reform.</p> <p>From a Transmission Owner perspective, we must plan against the whole queue. This means oversubscribed, or potentially speculative schemes, who hold low-cost / low-risk positions for extended periods can redirect finite resources, drive inefficient build, and divert work away from viable, ready-to-progress customers. This has a material consequence for both customers and consumers.</p> <p>A sufficiently fast and strong solution is therefore needed to address oversubscription. Establishing a credible connections queue and enabling network companies to plan, design and deliver connections more efficient and in a coordinated way.</p> <p>Against that backdrop: we consider that the Original, WACM1, WACM2 and WACM4 all have merit - but WACM6 appears to present the best solution overall. WACM6 applies the same</p>					

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OTCF rates and approach as the Original, includes co-located oversubscribed technology and includes capping to later stage project securities leading us to consider that **WACM6 better meets Objectives (i) and (ii) whilst being no worse with respect to administration objective (iv).**

However, our view remains that the starting signal remains too low and implementation too slow, even with WACM6. As currently designed, neither the proposal nor alternatives adequately reflect the scale of oversubscription today, so would fail to deliver a meaningful change at the point of activation, and weaken the intended aims of this proposal.

It also reflects a concern that the proposal has been materially diluted, with the initial OTCF proposal reduced from an earlier proposed £10k/MW to £3k/MW, resulting in a weaker and slower signal that is less likely to drive meaningful change against current levels of oversubscription.

As a TO, CUSC Code Admins did not permit us to bring forward our own alternative proposal. We challenged that decision and noted in earlier responses that setting the OTCF at a more proportionate level from the outset – a rate that reflected the level of oversubscription – would better support timely and effective improvements in queue quality. But instead (and perhaps due to its urgency) we were restricted to contributions at workgroup discussions. As such it was not possible for us to raise our own blended alternative, and so WACM6 remains the best of the options available.

Of the options presented, WACM 6 is the strongest because it applies to all storage projects, whether standalone or co-located. That broader scope is important, given the wider system impacts storage can create beyond local connection works. In our view, this means WACM 6 is better than the Original Proposal at supporting efficient network planning and stronger commitment signals, without adding administrative burden.

WACM1 by mirroring the Original excludes co-located storage, so is weaker than WACM4 which includes co-located storage. While WACM1 has some merit in limiting upper securities to construction-led spend, its narrower scope reduces its effectiveness. For that reason, we see **WACM1 as marginally better than the Original overall in respect of Objective (i) and (ii) whilst being no worse with respect to administration objective (iv), but weaker overall than WACM 6.**

WACM2 also excludes co-located storage, so is also weaker than WACM4 or WACM6. We are also concerned that ending the OTCF as soon as construction starts could weaken the commitment signal too early, before material project spend has fully arisen. That would risk creating an inconsistent approach to oversubscription and we believe **WACM2 does not**

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better meet the Objectives (i) and (ii) than the Original and other alternatives whilst being no worse with respect to administration objective (iv), but weaker overall than WACM 6.

WACM3 starts lower and remains lower throughout – as such it is weaker than the Original Proposal. We believe it would be less likely to drive meaningful change at the pace needed and is the least effective option against the core objectives of this proposal. As a result, we believe **WACM3 does not better meet Objectives (i) and (ii) than the Original and other alternatives) whilst being no worse with respect to administration objective (iv), but overall weaker than all other options.**

WACM4 is an improvement on the baseline in including co-located technology, though it would be excessive for projects under construction to apply higher securities than the project spend profile securities would require. **For this reason, we believe that WACM4 better meets objectives (i) and (ii) compared to the Original and WACM1 and WACM2 but does not meet these objectives as well as WACM6.**

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Navdeep Singh Gora – Northern Powergrid				
Original	-	Y	-	N	Y
WACM1	-	N	-	N	N
WACM2	-	N	-	N	N
WACM3	-	N	-	N	N
WACM4	-	Y	-	Y	Y
WACM5	-	N	-	N	N
WACM6	-	N	-	N	N
Voting Statement:					

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NPg believes that OTCF to be implemented to which we are supportive of the original. However, it does not consider oversubscribed tech that does not contribute to works. We believe that it should also be liable to OTCF fee, as this would still contribute minimal Fault Levels, which adds up if multiple projects are considered.

NPg believes that WACM 4 is the option to be implemented.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
Ollie Easterbrook – National Grid Electricity Distribution					
Original	N	N	-	N	N
WACM1	N	N	-	N	N
WACM2	N	N	-	N	N
WACM3	N	N	-	N	N
WACM4	N	N	-	N	N
WACM5	N	N	-	N	N
WACM6	N	N	-	N	N
Voting Statement: <p>We are not supportive of the Original or WACMs 1-6. We are of the view that existing measures such as natural queue attrition and appropriate application of Queue Management milestones should be given the opportunity to address oversubscription of certain technologies when compared to CP30.</p> <p>The OTCF, albeit the impact softened by proposals under WACM1, risks having a disproportionate impact on smaller, less capitalised projects/developers whose project is otherwise viable without the introduction of this additional fee.</p> <p>A place in the queue should be measured by their progression against their contractual milestones.</p>					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Paul Youngman - Drax				
Original	-	Y	-	-	Y
WACM1	-	Y	-	Y	Y
WACM2	-	Y	-	-	Y
WACM3	-	-	-	-	N
WACM4	N	Y	-	N	N
WACM5	-	-	-	N	N
WACM6	-	Y	-	-	Y
Voting Statement: <p>In principle we see merit in the proposed reform which would place an additional financial commitment in relation to the current oversubscription of BESS assets once offers are produced and accepted. The purpose being to act as an incentive for developers to cancel projects where there is over subscription. Our main concern has been that this may apply to technologies including demand that are yet to defined as oversubscribed. The proposer has clarified that demand is out of scope, and updated information demonstrates that BESS is forecast to be the only oversubscribed technology to which this would apply in the near term. Our assessment of the proposals is:</p> <p>Original</p> <p>By providing an incentive to alleviate oversubscription this option satisfies AO (ii) <i>Facilitating effective competition in the generation and supply of electricity</i>. We believe the implementation is neutral against the other objectives.</p> <p>WACM1</p>					

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This also has a positive impact on AO (ii) *Facilitating effective competition in the generation and supply of electricity* as it provides an appropriate financial incentive to leave the queue. This also has advantages in how it applies to co-located technologies that are positive against AO (iv) *Promoting efficiency in the implementation and administration of the CUSC*. This is our preferred option.

WACM2

This alternative is essentially the same as the original except it defines the disapplication date as user progression milestone M8 – construction. We do prefer this feature compared to the original and it is positive in relation to AO (ii).

WACM3

With a lower OTCF we question if this option would be effective in providing enough of an incentive to address the defect. We have accordingly marked it as neutral across all AO.

WACM4

This alternative is the same as the original except for the treatment of co-located sites which we believe will be administratively burdensome and could lead to lower utilisation of complementary technologies. This is negative against AO (iv) *Promoting efficiency in the implementation and administration of the CUSC* and AO (i) *The efficient discharge by the Licensee of the obligations imposed on it*.

WACM5

With a lower OTCF and extended incremental steps we do not believe this option would be effective in providing enough of an incentive to address the defect. We have accordingly marked it as neutral across all AO except for (iv) *Promoting efficiency in the implementation and administration of the CUSC* where we have assessed its impact as negative as it introduces provisions that are unlikely to mitigate the defect.

WACM6

By providing an incentive to alleviate oversubscription this option satisfies AO (ii) Facilitating effective competition in the generation and supply of electricity. We believe the implementation is neutral against the other objectives. Although better than baseline this has no substantive benefits when compared with the original proposal.

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Nathan Stevenson – Firstway Energy				
Original	N	N	N	N	N
WACM1	N	N	N	N	N
WACM2	N	N	N	N	N
WACM3	N	N	N	N	N
WACM4	N	N	N	N	N
WACM5	N	N	N	N	N
WACM6	N	N	N	N	N
Voting Statement: <ol style="list-style-type: none"> 1. The Original, WACM1, WACM2, WACM4 and WACM5 all create extensive administrative complexity and a continuous regulatory management regime along with an increase in network planning uncertainty 2. The Original, WACM1, WACM2 and WACM4 would be discriminatory in its implementation favouring well capitalised developers whilst disadvantaging those smaller independent but high-quality developers. It will also create a significant barrier to entry which is inconsistent with creating competitive markets. 3. Electricity Regulations emphasise the need for non-discrimination, market-based interventions and proportionate regulation. By creating a divide between the well-funded and less funded it would conflict directly with network access. 4. The Original, WACM1, WACM2, WACM4 all create inefficiency and extra administration. <p>If Ofgem have to choose one, then we would tentatively support WACM3 and this is less onerous and will have less of a negative impact than the other WACMs.</p>					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Philip Pateman - Aukera Energy				
Original	Y	N	-	N	Y
WACM1	Y	Y	-	Y	Y
WACM2	Y	N	-	N	Y
WACM3	Y	Y	-	Y	Y
WACM4	Y	N	-	N	Y
WACM5	Y	Y	-	N	Y
WACM6	Y	Y	-	N	Y
Voting Statement: Aukera strongly supports the principle and intent of CMP470. The oversubscription of the BESS connection queue is a material barrier to the UK's Clean Power 2030 ambitions — not just for battery storage, but for the wider energy transition. Every speculative or unviable project that occupies a grid connection slot delays a viable project, whether BESS or another technology, from connecting. Clearing the queue more rapidly creates capacity, shortens connection timelines across the board, and gives developers and network planners the certainty they need to invest and build with confidence.					
We support the Original in preference to the Baseline and consider WACM 1 the best available option. We would encourage the Panel and Ofgem to consider whether a future modification could go further in linking the fee to locational or network impact.					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Ravinder Shan – FRV Powertek Limited				
Original	-	Y	-	Y	Y
WACM1	-	Y	-	N	N
WACM2	-	Y	-	-	Y
WACM3	-	Y	-	Y	Y
WACM4	-	N	-	Y	N
WACM5	-	Y	-	Y	Y
WACM6	-	N	-	Y	N
Voting Statement: I believe that Original, WACM 2, WACM 3 and WACM 5 are better than baseline because they address the issue of oversubscription by creating incentives for only commercially and technically viable projects to move forward. Creating exit options for unviable projects and their subsequent removal from the queue will facilitate effective electricity market competition (ACO ii). Moreover, by reducing oversubscription, NESO, Tos and DNOs will not have to spend resources on unviable projects and will allow viable projects to connect earlier, resulting in efficiency in implementation of CUSC arrangements (ACO iv).					

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Rob Smith – ENSO Green Holdings Limited (EGHL)				
Original	-	N	-	N	N
WACM1	-	Y	-	Y	Y

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WACM2	–	N	–	N	N
WACM3	–	Y	–	Y	Y
WACM4	–	N	–	N	N
WACM5	–	Y	–	Y	Y
WACM6	–	Y	–	Y	Y

Voting Statement:

We are concerned that some of the consequences attributed to the oversubscribed technology issue are not supported by evidence or any rationale economic argument, at such we are concerned that some of the proposals are applying overly draconian solutions for issues that will not materialise and in doing so will have a severe impact on investment confidence and will lead to a form of financial bullying on less well capitalised pre FID projects. The consequence being that parties with deep pockets will force out valid, viable developers who will be distressed sellers to predatory buyers. This is contrary to the spirit of effective markets and will further erode confidence in the market, which is fundamental to investment. This risk to lesser capitalised developers is compounded by the fact that some options require not only the cancellation charge to increase but also that the secured amount will need to be significantly higher, which will further erode working capital for those developers.

Credible impacts of over-subscribed technologies

- The queue will ultimately self-regulate an economically efficient value of capacity. However, we agree that with an early project timeline free of low-cost option, projects could stay in the queue longer than otherwise. This could lead to delayed connection dates for other phase 2 technologies that are required but don't yet have planning permission. Although it should be said that even with no connection securities, parties will still need to retain option agreements, would have to reapply for planning after 3 years for many projects and still fund the costs of keeping SPV's open, which means that this is not a truly £0 cost position
- This could have implications for network reinforcement redesign and costs to the Network company (although we are sceptical there will be significant built stranded assets)
- The overwhelming majority of projects already have existing non-trivial liability exposure, and DNO connecting projects will have considerable pre-connection costs

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they will need to pay. Therefore, for most non-viable projects will self-terminate as soon as these costs start to ramp.

Non-Credible claims caused by oversubscribed capacity

- The network company will build significant network reinforcement that will not be recovered by the BCA holder. As works progress project, cancellation charges rise to reflect these costs as such if they do proceed with cancellation charges ramping up, they will ultimately be exposed to this cost.
- Projects are not rational and will retain significant cancellation charge exposure whilst understanding that their project is commercially non-viable and so stay in the queue regardless (This will not happen, investment entities have a fiduciary obligation to shareholders to deploy capital productively)

As such, we believe the chosen solution should be sufficient to make holding the queue position for a non-viable project or a project where the economics are doubtful. However, this value should not be higher than necessary given the detrimental impact of having to post this cancellation charge on developers of having to post this cancellation charge and the wider industry investment risks and confidence such draconian costs will generate.

We have concerns that the impact of the Original, WACM1, WACM4 on developer risk far out way any efficiencies in network development and so are detrimental to objectives ii and iv.

We believe the more appropriate value of the OTCF proposed in WACM1, WACM3, WACM5 and WACM6 would on balance lead to a positive impact on objectives ii and iv.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Ross O' Hare – SSEN				
Original	Y	Y	-	Y	Y
WACM1	N	N	-	N	N

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WACM2	N	N	-	N	N
WACM3	N	N	-	N	N
WACM4	Y	Y	-	Y	Y
WACM5	N	N	-	N	N
WACM6	N	N	-	N	N
Voting Statement: No voting statement submitted.					

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Gerrard McKillen – Eden Renewables				
Original	-	Y	-	-	Y
WACM1	-	N	-	-	N
WACM2	-	N	-	-	N
WACM3	-	N	-	-	N
WACM4	N	N	N	-	N
WACM5	-	Y	-	-	Y
WACM6	-	N	-	-	N
Voting Statement: Summary position Eden Renewables supports the intent of CMP470 to address oversubscription in the connections queue and recognises the importance of protecting the Gate 2 framework. However, we do not support WACM4 in particular removing the co-location exemption					

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would penalise the most network-efficient form of storage deployment, is not supported by quantified evidence, and works against the objectives of Connections Reform and the Clean Power 2030 Action Plan. We urge the Authority to retain the Original proposal's targeted three-condition exemption, which is already tightly drawn against gaming.

1. The exempted configuration does not contribute to the defect

The defect identified by CMP470 is capacity occupying queue positions in oversubscribed technologies and obstructing the connection of viable projects. The Original proposal's exemption is confined to additions which, by its own conditions, (a) connect after the host technology, (b) involve no increase in Transmission Entry Capacity or Developer Capacity, and (c) involve less than £250k of Attributable Works and One Off Charges. A storage addition meeting all three conditions occupies no incremental network capacity, requires no material network investment, and does not displace any other project in the queue. Applying the OTCF Project Floor to such additions does not advance the remedy of the defect; it simply levies a charge on configurations that impose no marginal queue burden.

2. WACM4 penalises efficient use of existing grid connections

Co-location of storage behind existing solar connections maximises the utilisation of connection assets and reduces the need for new connections and associated reinforcement. This is precisely the behaviour Government and the regulator have encouraged: the April 2026 joint DESNZ/Ofgem open letter to industry expressly supported expanding the use of shared grid connections (bay sharing) as a practical mitigation for technology oversubscription. WACM4 would apply a commitment fee floor to the configurations that letter encourages, creating a direct conflict between the code and stated policy direction. Discouraging co-location pushes storage deployment toward standalone connections, increasing aggregate network cost – a cost ultimately borne by consumers.

3. The evidential basis for WACM4 is acknowledged to be incomplete

The Workgroup Report records that members raised concerns regarding the lack of quantitative data on the scale of projects affected by the exemption, unresolved questions as to whether co-located storage materially drives wider reinforcement requirements under current modelling approaches, and that NESO's clarification of modelling treatment was partial and scenario-dependent. The report further notes the exemption in the Original may apply to a relatively small subset of projects, which undermines the materiality case for removing it. An urgent modification is not the vehicle for a policy extension whose impacts are unquantified; if the Authority considers scope extension may have merit, we suggest it

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be assessed separately with a proper impact assessment rather than adopted within CMP470.

4. Competition and proportionality

Blanket inclusion of co-located capacity distorts the choice between standalone and hybrid configurations and disproportionately affects distribution-connected projects, where storage additions behind existing connections are a primary route to efficient asset utilisation. It penalises developers who have designed projects to minimise network impact relative to those who have not, inverting the cost-reflectivity rationale on which the OTCF rests. We consider this works against the Applicable CUSC Objective on facilitating effective competition in generation [map to objective references in the proforma], and we note a Workgroup member's related observation that low network costs are a legitimate competitive advantage that the OTCF design should not erode.

5. Gaming concerns are addressed by the conditions, not by removing the exemption

We recognise the concern that co-location could be used to shelter oversubscribed capacity. The Original's exemption is, however, self-limiting: the no-TEC-uplift condition means no additional queue capacity is created; the £250k works threshold confines it to genuinely incremental additions; and the sequencing condition prevents the oversubscribed technology from leading the project. If the Authority nonetheless considers residual gaming risk material, the proportionate response is to tighten the conditions – for example through evidence requirements at the point the addition is made – rather than to remove the exemption in its entirety.

6. Observations on the WACM4 legal text

Having reviewed the WACM4 legal text, we make two further observations. First, the deletion of paragraph 6.2.1 is accompanied by the absence of any milestone-based provisions: the WACM4 text contains no reference to User Progression Milestones or to equivalent milestones under the Distribution Queue Management Process, and capacity is excluded from the OTCF Project Floor calculation only once its Charging Date has passed. A co-located project brought into scope by WACM4 therefore has no progression-based route out of the floor at any stage prior to energisation, however advanced its delivery – a materially harsher outcome than the removal of the exemption alone implies, and one that sits uncomfortably with the modification's stated aim of removing unviable rather than progressing projects.

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Sam Aitchison – Island Green Power				
Original	N	N	-	N	N
WACM1	N	N	-	N	N
WACM2	N	N	-	N	N
WACM3	N	N	-	N	N
WACM4	N	N	-	N	N
WACM5	N	N	-	N	N
WACM6	N	N	-	N	N
<p>Voting Statement:</p> <p>This proposal and none of its WACM's better facilitate the Applicable Objectives.</p> <p>With the addition of another financial incentive into the CUSC it adds complexity into the administration of the CUSC, hindering the Licensee's ability to discharge the obligations especially in an efficient manner. Encouraging projects to leave via a monetary disincentive allows only players with deeper pockets to stay within the queue which could be anticompetitive.</p> <p>That being said if CMP470 were to be approved by the Authority, there are some clear advantages to some of the WACM's compared to the Original.</p> <p>WACM 2 and its disapplication being at M8 is more than sufficient to indicate a project is going ahead, whilst limiting the cost impact of development and capital spend on a project (and therefore the cost of electricity produced). WACM3 in the same vein makes more sense and uses the same logic of how real a project I compared with the existing Section 15 securities. With Liabilities still increasing post-trigger the securities reduce, allowing further ability to borrow and spend towards either construction starting or continuing through construction.</p>					

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Simon Wragg - Ethos Green Energy Solutions Ltd				
Original	Y	N	-	N	N
WACM1	Y	N	-	N	N
WACM2	Y	N	-	N	N
WACM3	Y	N	-	N	N
WACM4	Y	N	-	N	N
WACM5	Y	N	-	N	N
WACM6	Y	N	-	N	N
<p>Voting Statement:</p> <p>I recognise that the Original Proposal and the WACMs may better facilitate Applicable CUSC Objective (i), as they are intended to support the efficient discharge of the Licensee's obligations by helping NESO and the TOs manage an oversubscribed queue and plan the network with greater certainty.</p> <p>However, I do not consider that the Original Proposal or the WACMs better facilitate Applicable CUSC Objective (ii). The OTCF mechanism remains, in substance, an escalating financial "pay-to-stay" requirement. This risks selecting projects based on access to capital rather than genuine deliverability, investability or consumer value. In practice, this is likely to favour large, well-capitalised developers and portfolio owners, while placing smaller and independent developers at a material disadvantage.</p> <p>I am also concerned that a £/MW fee can disproportionately affect larger projects, even where those projects may be capable of delivering lower cost energy and better consumer outcomes through economies of scale. The mechanism may therefore discourage the development of larger, more efficient BESS projects and reduce the average scale of projects that remain in the queue.</p> <p>There is also a material risk that CMP470 does not reduce oversubscription in the way intended. Instead, it may lead to distressed sales and consolidation, with projects</p>					

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transferring from smaller developers to a small number of larger, better capitalised energy storage companies. That outcome would not necessarily improve project quality, reduce the queue, or benefit consumers. It would simply move capacity into fewer hands.

For these reasons, I do not consider that the Original Proposal or the WACMs better facilitate effective competition. They risk creating an anti-competitive outcome by using financial strength as a proxy for project quality.

In respect of Applicable CUSC Objective (iii), I agree with the Workgroup’s assessment that CMP470 does not appear to impact the Electricity Balancing Regulation Article 18 terms and conditions held within the Code. I therefore consider the impact against this objective to be neutral.

I also do not consider that the Original Proposal or the WACMs better facilitate Applicable CUSC Objective (iv). The proposed mechanism introduces significant complexity through technology triggers, activation and deactivation thresholds, escalation rules, co-location treatment, project-specific calculations and securities administration. This adds administrative burden and uncertainty. In my view, the proposal relies too heavily on a financial £/MW charge as a proxy for network scarcity, when the actual drivers of constraint may relate to location, bays, attributable works, connection configuration and wider network impacts.

Overall, while I accept that CMP470 may assist with queue management and therefore may better facilitate Objective (i), I do not consider that it better facilitates Objectives (ii) or (iv), and I consider it neutral against Objective (iii). The mechanism remains too blunt and risks favouring balance sheet strength over genuine project deliverability, competition and consumer value.

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Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	Hafiz Milhan – Zenobe				

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Original	-	Y	-	Y	Y
WACM1	-	Y	-	Y	Y
WACM2	-	Y	-	Y	Y
WACM3	-	Y	-	Y	Y
WACM4	-	Y	-	Y	Y
WACM5	-	Y	-	Y	Y
WACM6	-	N	-	N	N

Voting Statement:

(i) No impact in our view

(ii) Ensures effective competition in Gate 2 pipeline rather than sitting there and not completing

(iii) No impact in our view. This change introduces an economic incentive for developers of less viable projects to leave the connection queue and for Developers of the best projects to remain, better facilitating competition between Developers.

(iv) NESO is currently dealing with more projects with Gate 2 status than are needed. This change will reduce the number of Connection Agreements for BESS, improving efficiency in delivery of Connections Reform. This will prioritise technologies needed to 2030 and ensure only storage projects that can be delivered.

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Of the 36 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	24
WACM1	17

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WACM2	17
WACM3	14
WACM4	19
WACM5	16
WACM6	16

*One Workgroup member abstained from the vote.

Stage 2b – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1, WACM2, WACM3, WACM4, WACM5 or WACM6)

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Andrew Enzor	Field Energy	Battery Storage	Original	(ii), (iv)
Ash Adams	NESO	National Energy System Operator	WACM4	(iv)
Ahmed Dabb	Aura Power	Generator	WACM4	(ii), (iv)
Alex Ikonic	Roadnight Taylor	Specialist Consultant	Baseline	N/A
Andrew Yates	Statkraft	Generator	Baseline	N/A
Charles Saywell	Apatura Energy	Developer	Baseline	N/A

Public

Charlie von Schmieder	Gresham House	Battery Storage Owner/Developer	Baseline	N/A
Chris Terry	Fidra Energy	Generator	WACM4	(iv)
Ciaran Fitzgerald	ScottishPower Renewables	Generator	WACM4	(iv)
Xuefei Zheng	RWE	Generator	WACM5	(ii), (iv)
Dennis Gowland	Research Relay Ltd	Other	WACM5	(i), (ii)
Gareth Williams	Scottish Power Transmission	Onshore Transmission Licensee	Original	(ii), (iv)
Garth Graham	SSE Generation	Generator	Original	(ii), (iv)
Alastair Southworth	Harmony Energy Ltd	Generator	Original	(ii), (iv)
Grahame Neale	LightsourceBP	Generator	WACM2	(ii), (iv)
Grant Rogers	Q Energy	Other	Abstain	N/A
Helen Stack	Centrica	Generator	WACM4	(i), (ii), (iv)
Khamun Ward	Voltwise Power Holdings Limited	storage	WACM4	(i), (ii), (iv)
Joe Colebrook	Innova	Generator	Baseline	N/A

Public

Julia McGee	Orsted	Generator	WACM5	(i), (ii), (iv)
Kimbrah Hiorns	EDF Power Solutions	Generator	WACM2	(ii), (iv)
Kyran Hanks	Waters Wye	Energy Consultant	WACM2	(i), (iv)
Lamin Saidy	Qair UK	Generator	WACM4	(i), (ii), (iv)
Lee Wilkinson	On Path Energy	Generator	WACM6	(i), (ii), (iv)
Matthew Paige Stimson	NGET	Onshore Transmission Licensee	WACM6	(i), (ii), (iv)
Navdeep Singh Gora	Northern Powergrid	Network Operator	WACM4	(ii), (iv)
Ollie Easterbrook	National Grid Electricity Distribution plc	Network Operator	Baseline	N/A
Paul Youngman	Drax	Generator	WACM1	(ii), (iv)
Nathan Stevenson	Firstway energy	Bess Developer	Baseline	N/A
Philip Pateman	Aukera Energy	Generator	WACM 6	(iv)
Ravinder Shan	FRV Powertek Limited	Generator	WACM5	(ii), (iv)
Rob Smith	ENSO Green Holdings	Generator	WACM5	(i), (iv)

Public

	Limited (EGHL)			
Ross O Hare	SSEN	Network Operator	WACM4	(ii), (iv)
Gerrad McKillen	Eden Renewables	Developer	WACM5	(i), (iv)
Sam Aitchison	Island Green Power	Generator	WACM3	(i), (iv)
Simon Wragg	Ethos Green Energy Solutions Ltd	Developer	Baseline	N/A
Hafiz Milhan	Zenobe	Generator	WACM2	(i), (iv)

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