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Code Administrator Consultation Response Proforma

CMP470: Introducing an Oversubscribed Technologies

Commitment Fee

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@neso.energy by **5pm** on **30 June 2026**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact cusc.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Rowan Howe	
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Phone number:	+44 131 287 1666	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

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I wish my response to be:

(Please mark the relevant box)	<input checked="" type="checkbox"/> Non-Confidential (<i>this <u>will be shared</u> with industry and the Panel for further consideration</i>)
	<input type="checkbox"/> Confidential (<i>this will be disclosed to the Authority in full but, unless specified, <u>will not be shared</u> with the Panel or the industry for further consideration</i>)

For reference the Applicable CUSC (non-charging) Objectives are:

- i. *The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;*
- ii. *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- iii. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and*
- iv. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

* See Electricity System Operator Licence

**The Electricity Regulation referred to in objective (iii) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

For reference, (for consultation question 5) the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) *fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) *enhancing efficiency of balancing as well as efficiency of national balancing markets;*

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- c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the NESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

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Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solutions against the Applicable Objectives against the current baseline.	Mark the Objectives which you believe the proposed solutions better facilitates than the current baseline:
		Original <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM1 <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		WACM2 <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM3 <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		WACM4 <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM5 <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		WACM6 <input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		Fidra Energy agrees with the defect that oversubscribed technologies will lead to increased network design work and increased costs to consumers. We consider that the Original, WACM2 and WACM4 better facilitate Applicable Objective (iv) when compared with the baseline, as they provide a meaningful incentive for projects in oversubscribed technologies to exit the queue where they are unlikely to progress due to broader viability issues.

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		<p>We do not consider WACM1, WACM3, WACM5 or WACM6 to be sufficient deterrents to achieve the objectives this modification is seeking to address, and therefore do not consider these to better facilitate the Applicable Objectives compared with the baseline.</p>
2	<p>Do you have a preferred proposed solution?</p>	<p> <input type="checkbox"/>Original <input type="checkbox"/>WACM1 <input type="checkbox"/>WACM2 <input type="checkbox"/>WACM3 <input checked="" type="checkbox"/>WACM4 <input type="checkbox"/>WACM5 <input type="checkbox"/>WACM6 <input type="checkbox"/>Baseline <input type="checkbox"/>No preference </p> <p>Fidra Energy's preferred solution is WACM4.</p> <p>We consider that the Original, WACM2 and WACM4 are the strongest options and better than the baseline. However, we prefer WACM4 as it treats co-located sites consistently with standalone sites where the relevant technology is an oversubscribed technology. As identified in the workgroup report, co-located sites account for over 36% of all Gate 2 BESS projects, so without the consistent treatment applied via WACM4, there is a risk of distortions or opportunities for gaming.</p>
3	<p>Do you support the proposed</p>	<p> <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No </p>

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	implementation approach?	<p>Fidra Energy supports the proposed implementation approach and the assessment methodology being based on all signed Gate 2 offers.</p> <p>NESO should publish regular updates regarding the level of projected oversubscription, based on signed offers, so that parties who are not certain on viability can determine how best to proceed with signing their Gate 2 offer, allowing for increased early-stage attrition.</p>
4	Do you have any other comments?	<p>Whilst the OTCF is a new and potentially effective tool for the purpose of addressing oversubscription, this should not be the only method used by NESO. We would stress that NESO should continue with its current capability and apply rigorous monitoring of projects by NESO and enforcement of its rights in respect of queue milestones for projects which are not progressing.</p> <p>Fidra Energy also considers that consistent treatment of co-located and standalone projects is important. Where an oversubscribed technology forms part of a co-located project, it should not be treated more favourably than an equivalent standalone project.</p>
5	Do you agree with the Workgroup's assessment that the modification <u>does not</u> impact the Electricity Balancing Regulation (EBR) Article 18 terms	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Fidra Energy agrees with the Workgroup's assessment that this modification does not impact the Electricity Balancing Regulation Article 18 terms and conditions held within the Code.</p>

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	and conditions held within the Code?	
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