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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:	Gareth Williams	
Company name:	Scottish Power Energy Networks	
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Phone number:	07570371685	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input checked="" 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 checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM1 <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM2 <input type="checkbox"/> i <input checked="" 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 checked="" 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 checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		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.

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		<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>This must be considered in the context of Objective (i) and the NESO efficient discharge of it's obligations imposed on it by the Act and it's licence to develop an economic, efficient and coordinated energy system. NESO must ensure the system is designed and planned in a way that minimises overall costs for end consumers. Therefore, this modification must be considered alongside other options to manage oversubscription (particularly the current problem of BESS oversubscription). With consideration given to a cost benefit analysis of all measures.</p> <p>We 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>
2	Do you have a preferred proposed solution?	<input checked="" 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

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		There is little difference between the Original and WACM4, so I would be supportive of either. The key difference is that WACM4 would not make any exemptions for co-located projects.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>The implementation approach being at the first biannual securities statement after both i) All offers from G2tWQ have either been signed or lapsed, and ii) All offers from the first Gated Application Window have either been signed or lapsed seems like a reasonable timeframe balancing the need for urgency to achieve the desired objectives of this modification, and ensuring fairness for all developers.</p>
4	Do you have any other comments?	<p>We understand it has been challenging to quantify the likely impact of CMP470. Without a clear assessment, it is difficult to determine whether the proposal will deliver meaningful benefits or adequately address the issue.</p> <p>It is a concern that this modification will not fully address the BESS oversubscription challenge. While it may provide some improvement there is the risk it leaves the core issue of vastly oversubscribed BESS unresolved. The expected timeframe for the modification to take effect is also a concern. By the time any impacts are realised, Transmission Owners (TOs) and Distributed Network Operators, will already have progressed significant elements of network infrastructure. This limits the ability of the modification</p>

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		<p>to influence investment decisions in a timely or efficient manner.</p> <p>Furthermore, the delay in impact means Tos (and DNOs) will continue to face a range of ongoing challenges. These include BESS developers securing land around strategic substations, the potential for longer connection dates where BESS projects are ahead of other technologies in the queue, and continued pressure on TO resources required to deliver 2030 targets. It also prolongs uncertainty in network planning and investment, particularly where it remains unclear which BESS projects will ultimately materialise in a market that is significantly oversubscribed.</p> <p>Given these factors, further measures will be required to effectively manage attrition and address the challenges associated with BESS oversubscription. We would therefore encourage Ofgem to consider this modification as part of a package of proposals aimed at preventing the situation from deteriorating further, accelerating attrition in the queue, and improving certainty for network planning and investment decisions.</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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N/A

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	and conditions held within the Code?	
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