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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:	Andrew Enzor	
Company name:	Field Energy	
Email address:	Andrew.enzor@field.energy	
Phone number:	07701 218732	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> Operator <input 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 (this <u>will be shared</u> with industry and the Panel for further consideration)
	<input type="checkbox"/> Confidential (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)

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;



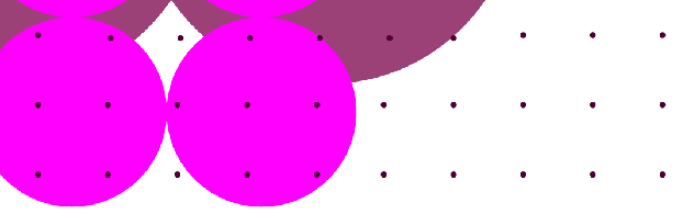
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- b) enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) contributing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

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 checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input 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 checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input 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
		<p>My view is unchanged from that submitted in my workgroup vote, replicated below:</p> <p>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:



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		<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 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, I 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-
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		<p>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</p> <ul style="list-style-type: none"> ● WACM1, WACM3 and WACM6: <ul style="list-style-type: none"> ○ These options do not meet the objectives as well as the previous group. All 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
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		<p>oversubscription is high) to drive the behavioural change needed</p> <ul style="list-style-type: none"> ● WACM5: <ul style="list-style-type: none"> ○ 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 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 is 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 <p>Objective (i)</p>
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		<p>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.</p> <p>Objective (ii)</p> <p>My view remains largely unchanged from that presented in the proposal. (<i>“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>)</p> <p>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.</p> <p>The OTCF may accelerate the process of early-stage developers selling projects to developers intending to construct (and potentially operate) the project. In the</p>
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		<p>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 the OTCF for projects which they do not have strong confidence in. Hence suggestions that the OTCF will drive widespread consolidation without resolving oversubscription (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>
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		These arguments are strongest for the Original, WACM2 and WACM4; less so for WACM1, WACM3 and WACM6; and weakest for WACM5.
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 type="checkbox"/> WACM4 <input type="checkbox"/> WACM5 <input type="checkbox"/> WACM6 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		As described in response to question one, I consider the Original best facilitates the objectives, followed by WACM2, WACM4, WACM1, WACM6, WACM3 and WACM5 in that order.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		The implementation approach ensures that NESO can assess oversubscription based on the full G2tWQ outcome. It will require NESO to assume some Gate 2 Offers from the first Gated Application Window go on to be signed. The alternative is to wait for the first Gated



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		Application Window to fully conclude, pushing implementation to April 2028 at the earliest. Given oversubscription is a pressing issue, we think the approach balances urgency with waiting for connection offers to be signed.
4	Do you have any other comments?	I thank NESO code admin for their diligent work on CMP470. They have facilitated constructive debate and produced high quality outputs to a tight schedule.
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 and conditions held within the Code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

