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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:	Andy Willis and Euan Clifford	
Company name:	Kona Energy and EPNC Energy	
Email address:	Andy.Willis@konaenergy.co.uk and euan.clifford@epncenergy.co.uk	
Phone number:	07919528449	
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 type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input checked="" 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 will be shared 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, will not be shared 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;*

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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 type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" 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 type="checkbox"/> iv <input checked="" 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 type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" 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 type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		<p>We consider that WACM5 is the closest of the proposed options to better facilitating the Applicable Objectives, particularly objectives (ii) facilitating effective competition and (iv) promoting efficiency in the implementation and administration of the CUSC arrangements.</p> <p>WACM5 introduces a more proportionate financial signal, is capped by reference to project-specific securities, and is time-limited in its application. This reduces the risk of the mechanism becoming a blunt financial filter that disproportionately favours well-capitalised developers and supports continued market participation from a diverse range</p>

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		<p>of developers while still providing an incentive for queue discipline.</p> <p>WACM3 also moves in a more proportionate direction, with lower levels of financial exposure than the Original Proposal, and may partially better facilitate objectives (ii) and (iv), although it is less closely aligned with our position than WACM5.</p> <p>We do not consider the Original Proposal or WACM4 to better facilitate the Applicable Objectives, as the proposed levels and escalation of financial commitment risk distorting competition, discouraging otherwise viable projects, and acting primarily as a financial filter rather than reflecting project quality or system need.</p> <p>WACM1 and WACM6 introduce some moderation through reference to project-level securities, but still broadly track the higher Original escalation. WACM2 improves the position on timing, but still exposes developers to high levels of financial commitment prior to M8, and therefore does not sufficiently address proportionality concerns.</p> <p>More broadly, none of the options fully addresses the underlying structural issue that developers are required to make significant capital commitments in an environment of limited information, uncertain delivery timelines, and constrained engagement with TOs and DNOs, which weakens alignment with both competition and efficiency objectives.</p>
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input type="checkbox"/> WACM3 <input type="checkbox"/> WACM4

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		<p><input checked="" type="checkbox"/>WACM5</p> <p><input type="checkbox"/>WACM6</p> <p><input type="checkbox"/>Baseline</p> <p><input type="checkbox"/>No preference</p> <hr/> <p>Our preferred proposed solution is WACM5, although this support is qualified and conditional.</p> <p>WACM5 is closest to a proportionate approach, as it introduces a lower and more calibrated financial signal, limits exposure through reference to project-specific securities, and does not result in the highest levels of financial commitment seen in the Original Proposal.</p> <p>This better aligns with the objective of encouraging developers to prioritise their strongest projects without imposing a disproportionate barrier to entry.</p> <p>However, WACM5 should not be viewed as a complete solution. Its effectiveness is dependent on improvements in the wider connections framework, particularly the quality, availability and certainty of TO/DNO information, and delivery timelines.</p> <p>Without these improvements, even a more proportionate mechanism risks functioning as a one-sided requirement on developers, increasing financial exposure without addressing the underlying causes of delays and uncertainty in the connections process.</p>
3	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes</p> <p><input checked="" type="checkbox"/>No</p> <hr/> <p>We do not support the proposed implementation approach.</p> <p>While we support the principle that developers should back their strongest and most deliverable projects, the proposed</p>

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		<p>approach requires financial commitment at a stage where material uncertainties remain, including network design, cost clarity, delivery timelines, and external dependencies.</p> <p>This is particularly challenging in the current environment where developers have limited opportunity for early-stage engineering engagement with TOs and DNOs.</p> <p>A more effective approach would combine a proportionate level of financial commitment with improvements in data quality, transparency and delivery certainty, allowing developers to make decisions based on project merit and system value rather than uncertainty.</p>
4	Do you have any other comments?	<p>We recognise the need to address the significant oversubscription within the electricity connections queue and support the objective of improving queue discipline.</p> <p>Introducing financial signals to encourage developers to prioritise their strongest projects is, in principle, a reasonable approach.</p> <p>However, we consider that CMP470, in its current form and across the proposed options, risks misalignment with how projects are developed, assessed and financed in practice. Financial commitment is being introduced at a stage where key uncertainties remain, including network design, cost clarity and delivery timelines.</p> <p>These issues are exacerbated by current market conditions, where the availability and quality of information from TOs and DNOs is limited.</p> <p>The removal of Customer Account Managers, reduced use of pre-application engagement, and constrained engineering discussions mean developers are increasingly required to make investment decisions in an environment of incomplete or uncertain information.</p> <p>In this context, the introduction of additional financial requirements risks driving decisions based on uncertainty rather than project quality or system value.</p>

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		<p>More broadly, the proposals introduce additional financial and delivery risk on developers, without a corresponding strengthening of obligations on TOs or DNOs to improve information quality, delivery performance or certainty.</p> <p>This creates an asymmetry in risk allocation, where developers face increased constraints and funding requirements, while the underlying drivers of delay and uncertainty remain largely unchanged.</p> <p>As a result, there is a risk that viable and strategically important projects may be removed prematurely, and that competition is reduced through favouring well-capitalised participants.</p> <p>While some WACMs move toward a more proportionate financial approach, none fully address the underlying structural issues.</p> <p>In summary, CMP470 would benefit from a more balanced and sequenced approach, where financial signals are proportionate, with improved TO/DNO information quality and transparency, along with strengthened delivery certainty.</p> <p>A framework combining these elements would better support efficient, competitive and timely delivery of projects.</p>
5	<p>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?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>We do not agree with the assessment that the modification has no impact.</p> <p>While CMP470 does not directly amend balancing arrangements, the introduction of additional financial barriers and the potential reduction in market participation from smaller and mid-sized developers may indirectly affect competition and participation within the system.</p> <p>In particular, there is a risk that reduced diversity of participants could affect the broader objectives of fostering</p>

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		competition and non-discrimination in electricity markets, which are aligned with the intent of EBR principles.
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