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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](mailto: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](mailto:cusc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Caron Oag	
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<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input 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 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"/> <b>Non-Confidential</b> ( <i>this <u>will be shared</u> with industry and the Panel for further consideration</i> )
	<input type="checkbox"/> <b>Confidential</b> ( <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 checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM1 <input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM2 <input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM3 <input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM4 <input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM5 <input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM6 <input checked="" type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		EMEC supports measures that improve certainty in the connection queue and facilitate efficient network planning. However, proposals which impose disproportionate financial burdens on projects, remove sensible exemptions for co-located developments, or create barriers for emerging technologies risk undermining competition and innovation.  The Original proposal and WACMs 1, 2, 3 and 5 all contain features that recognise these concerns, including the protection afforded to emerging

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		<p>technologies through the 5GW deemed capacity threshold and, in most cases, exemptions for certain co-located projects where there is no material increase in network impact.</p> <p>WACMs 4 and 6 are less favourable because they remove exemptions for co-located projects regardless of their impact on the network. This risks discouraging innovative project configurations that can improve utilisation of existing infrastructure and support more efficient operation of constrained networks.</p>
2	Do you have a preferred proposed solution?	<p><input type="checkbox"/>Original</p> <p><input type="checkbox"/>WACM1</p> <p><input type="checkbox"/>WACM2</p> <p><input type="checkbox"/>WACM3</p> <p><input type="checkbox"/>WACM4</p> <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>
		<p>EMEC supports WACM5 as the option that best balances the objective of reducing oversubscription in the connection queue with the need to maintain opportunities for innovation and efficient network utilisation.</p> <p>WACM5 retains the important protection for emerging technologies through the deemed capacity approach, provides a more proportionate OTCF structure for</p>

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		<p>projects that remain some distance from connection, limits exposure relative to a project's existing security profile, and removes the OTCF once meaningful project commitment has been demonstrated through queue management milestones.</p> <p>These features reduce the risk that viable projects are disadvantaged solely because of their size, development stage or access to capital, whilst still providing an effective incentive for projects that are unlikely to proceed to leave the queue.</p>
3	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes</p> <p><input type="checkbox"/>No</p> <p>Yes, with reservations. EMEC supports the principle of the proposed implementation approach but notes two important considerations.</p> <p>First, a nationally applied mechanism may not always capture the specific circumstances of distribution-connected and island systems, where local network characteristics can differ significantly from national trends.</p> <p>Second, it is important that the implementation of any OTCF continues to recognise the value of co-located developments that make more efficient use of existing network infrastructure.</p> <p>In constrained areas such as island networks, co-located storage can help maximise utilisation of existing transmission assets and defer or reduce the</p>

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		need for future reinforcement. Mechanisms that fail to recognise these benefits risk discouraging efficient network solutions.
4	Do you have any other comments?	<p><b>Emerging technologies</b></p> <p>EMEC welcomes the introduction of the 5GW deemed capacity threshold for technologies that are not currently included within Clean Power 2030 technology categories. This is an important safeguard that avoids unintended consequences for emerging technologies such as wave and tidal energy.</p> <p>Without this provision, technologies that are not materially contributing to current oversubscription challenges could become subject to the OTCF despite having only very modest deployed capacity. The safeguard supports innovation while maintaining the focus of the modification on genuinely oversubscribed technologies.</p> <p><b>Co-location</b></p> <p>EMEC believes that co-located developments should continue to be recognised where they do not materially increase network impact.</p> <p>Hybrid configurations can support more efficient use of existing network assets, particularly in constrained and peripheral network areas. Where a co-located technology does not increase TEC requirements and results in minimal additional network costs, applying the OTCF may discourage projects that contribute positively to overall system efficiency.</p>

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		<p>EMEC therefore supports options which retain exemptions for qualifying co-located projects and does not support WACMs 4 and 6.</p> <p><b>Impact on innovation and smaller developers</b></p> <p>The OTCF should be designed in a way that encourages queue discipline without creating unnecessary barriers for smaller organisations, community initiatives and innovative projects.</p> <p>Excessive security requirements may disproportionately impact projects being developed by smaller organisations that do not have access to the same balance sheet resources as larger developers, regardless of the underlying viability of the project.</p> <p>EMEC therefore supports the more proportionate approach adopted in WACM5.</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 checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>EMEC agrees with the Workgroup's assessment that CMP470 does not materially impact the Electricity Balancing Regulation Article 18 terms and conditions, as the proposal relates to connection queue management and commitments associated with network connections rather than balancing market participation.</p>