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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:	Garth Graham	
Company name:	SSE Generation Ltd	
Email address:	Garth.graham@sse.com	
Phone number:	01738 456000	
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 checked="" 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 type="checkbox"/> iv <input checked="" 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 type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None
		<p>SSE Generation support the Original Proposal and WACM4, which we believe will better facilitate Applicable Objectives (ii) and (iv). We do not believe that other WACMs adequately address the defect and therefore do not believe that they better facilitate the Applicable Objectives.</p> <p>We support the Original Proposal which introduces a proportionate and targeted commitment fee</p>

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		<p>mechanism for oversubscribed technologies, which we believe is necessary to ensure an effective G2tWQ outcome.</p> <p>In particular:</p> <ul style="list-style-type: none"> • It establishes a clear financial signal of intent, helping to discourage speculative applications, particularly in oversubscribed technologies, that occupy scarce network capacity without progressing. • It supports more efficient allocation of transmission capacity, enabling projects with a higher likelihood of delivery to proceed in a timely manner. • It aligns with and complements ongoing connections reform and queue management initiatives, reinforcing a consistent policy direction across the framework. <p>We consider that the proposal strikes an appropriate balance between ensuring commitment and avoiding undue barriers to entry, while maintaining simplicity and transparency in its application. For these reasons, we view it as the most effective option to better facilitate applicable CUSC objectives.</p> <p>We also support WACM4, though we prefer the Original Proposal.</p> <p>WACM4 retains many of the positive aspects of the Original Proposal and represents a credible alternative, particularly if stakeholders consider minor refinements necessary.</p> <p>However:</p> <ul style="list-style-type: none"> • The Original Proposal remains clearer and more direct,
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		<ul style="list-style-type: none"> • It provides a stronger and more transparent commitment signal, and • It better maintains consistency with existing charging and contractual frameworks. <p>We do not support WACM1.</p> <p>We do not consider that WACM1 provides sufficient improvement over the Original Proposal. It either:</p> <ul style="list-style-type: none"> • Risks diluting the effectiveness of the commitment fee as a signal, or • Introduces elements that could reduce clarity or consistency in application. <p>As such, it does not better facilitate the applicable CUSC objectives when compared to the Original Proposal.</p> <p>We do not support WACM2.</p> <p>WACM2 appears to introduce mechanisms that could:</p> <ul style="list-style-type: none"> • Increase complexity in administration, • Potentially create distorted incentives, or • Reduce the effectiveness of the commitment signal intended by CMP470. <p>We therefore consider it inferior to the Original Proposal in achieving efficient queue management and promoting timely project progression.</p> <p>We do not support WACM3.</p> <p>We do not consider WACM3 to be an improvement, as it may:</p>
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		<ul style="list-style-type: none"> • Weaken the link between commitment and financial liability, • Reduce the proposal's effectiveness in addressing speculative applications, and • Undermine investor certainty due to potential inconsistency in outcomes. <p>We do not support WACM5.</p> <p>We do not consider WACM5 to be effective in achieving the objectives of CMP470. It risks either:</p> <ul style="list-style-type: none"> • Weakening the incentive to demonstrate commitment, or • Introducing additional complexity that could reduce transparency and predictability. <p>Accordingly, it is inferior to both the Original Proposal and WACM4.</p> <p>We do not support WACM6.</p> <p>WACM6 does not, in our view, provide a proportionate or effective solution to the identified issue. It risks undermining the behavioural signals required to ensure efficient use of the connections queue and may lead to unintended consequences in project development decisions.</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

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		<input type="checkbox"/> WACM4 <input type="checkbox"/> WACM5 <input type="checkbox"/> WACM6 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		Click or tap here to enter text.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We agree with the proposed implementation approach.</p> <p>We support:</p> <ul style="list-style-type: none"> • Implementation aligned with connections reform timelines, • A clear transition approach for existing and new applicants, and • Sufficient notice to allow developers to adjust financing and project planning assumptions. <p>The approach appears pragmatic and deliverable, while minimising disruption.</p>
4	Do you have any other comments?	<p>CMP470 represents a necessary and timely intervention to improve the efficiency and effectiveness of the GB connections process.</p> <p>We consider that:</p>

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		<ul style="list-style-type: none"> • The introduction of a commitment fee is a proportionate tool to address speculative behaviour, • It will support better utilisation of limited network capacity, and • It contributes positively to accelerating the deployment of generation and storage projects required for the energy transition. <p>We encourage continued alignment with broader reforms to ensure a coherent and stable regulatory framework.</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>We do not consider that CMP470 impacts EBR Article 18 terms and conditions.</p> <p>The proposal:</p> <ul style="list-style-type: none"> • Relates to commitment and charging mechanisms associated with new and progressing connection applications, • Does not materially alter the existing rights and obligations under EBR Article 18, and • Maintains consistency with the current contractual framework.