

Public

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:	Ravinder Shan	
Company name:	FRV Powertek Limited	
Email address:	ravinder@frvpowertek.com	
Phone number:	+447340498332	
Which best describes your organisation?	<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 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

I wish my response to be:

Public

(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;
- 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

Public

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.

Public

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
		Click or tap here to enter text.
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input checked="" type="checkbox"/> WACM2 <input type="checkbox"/> WACM3 <input checked="" type="checkbox"/> WACM4 <input type="checkbox"/> WACM5

Public

		<input type="checkbox"/> WACM6 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>I support WACM4 and WACM2 as the options that best address the CMP470 defect and most effectively support the Applicable CUSC Objectives. The Gate 2 to Whole queue allocation of Phase 1 and Phase 2 projects demonstrates material BESS oversubscription against CP30 targets. Some of these projects are anticipated to be undeliverable thereby creating uncertainty for NESO, DNOs and TOs, inefficient network planning, and delays for viable projects. I think a high upfront OTCF is justified because it creates a clear and immediate commitment signal: projects that are commercially and technically viable should be able to proceed, while speculative or less deliverable projects should be incentivised to exit the queue promptly. This is essential to unclog the delivery pipeline and allow network companies to focus resources on projects most likely to connect.</p> <p>In my opinion, WACM4 is the most practical option because it starts with a higher upfront commitment fee which ramps up to £25k/MW if the oversubscription continues. Moreover, it applies the OTCF consistently to co-located and staged projects containing an oversubscribed technology. This avoids loopholes and differential treatment where such projects may still contribute to queue congestion, network planning uncertainty, fault level impacts or wider system requirements. Treating co-located BESS consistently with standalone BESS strengthens the upfront commitment signal and gives NESO, DNOs and TOs a clearer view of which projects are genuinely committed, enabling more efficient allocation of design, outage planning and delivery resources.</p> <p>WACM2 is also supported because disapplying the OTCF once all Queue Management Milestones, including M8 construction, have been met is a proportionate safeguard. The purpose of a high upfront fee is not to penalise delivery, but to bring forward a clear decision point before scarce network capacity and resources are committed. Once a project has reached construction, it has demonstrated substantial commitment and should no longer need the same financial deterrent. WACM2 therefore preserves the strong early</p>

Public

		<p>incentive while avoiding unnecessary costs for projects already proceeding.</p> <p>I do not support WACM1, 3 and 5 as they propose a lower commitment fee which may not create a sufficient incentive for non-viable projects to leave the queue. For WACM 1, capping the OTCF at existing maximum-security levels weakens the upfront signal, particularly for projects with low securities, and risks leaving the queue clogged with projects that are not ready to progress. For WACM3, the lower £2k/MW to £8k/MW liability floor is unlikely to be sufficiently material to drive timely attrition. I do not support WACM5 because its two-stage structure dilutes the signal for later-dated projects and could allow speculative capacity to remain in the queue for longer. Moreover, reduction in securities to 10% of liabilities (for transmission projects) or 26% of liabilities (for distribution projects) resulting in very low floor and ineffective for commitment fees. I do not support WACM6 because, although it correctly includes co-located projects, the WACM1-style cap undermines the effectiveness of the OTCF. Overall, WACM4 and WACM2 best combine a robust high upfront commitment fee with proportionate relief once genuine construction commitment is demonstrated, helping viable projects proceed and improving delivery efficiency for DNOs and TOs.</p>
3	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>I support the implementation approach proposed in the modification and suggest implementation as soon as possible so that informed decisions can be taken by the developers when accepting Gate 2 offers. Introducing CMP470 into the CUSC 10 Business Days after the Authority decision, possibly in August 2026, with practical activation aligned to the first relevant biannual securities statement after the Gate 2 to Whole Queue offers have been signed or lapsed and the first CMP434 gated window applications have been assessed, provides a clear and workable timetable. This approach gives developers appropriate visibility before accepting Gate 2 offers, while ensuring the OTCF can take effect early enough to influence project decisions, encourage timely queue attrition and support more efficient planning and delivery by NESO, DNOs and TOs.</p>

Public

4	Do you have any other comments?	I think that OTCF should be applied in conjunction with other initiative currently being evaluated by TOS, DNOs and NESO to accelerate connection dates for projects like bay sharing etc.
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 <p>I agree with the Workgroup's assessment that CMP470 does not impact the Electricity Balancing Regulation Article 18. The CMP 470 is specifically for oversubscribed technologies and is concerned with connection queue management, cancellation charge/security arrangements and the introduction of an OTCF for oversubscribed technologies. It does not amend balancing service terms and conditions, dispatch arrangements, settlement processes, balancing market participation rules, or the obligations of balancing service providers. While CMP470 may indirectly influence which projects ultimately proceed to connection, that is a consequence of queue management and financial commitment signalling rather than a change to the Article 18 framework. I therefore consider the impact on EBR Article 18 to be neutral.</p>