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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:	Charlie von Schmieder	
Company name:	Gresham House	
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Phone number:	07968 385 589	
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

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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 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 type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" 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 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
		We believe there are better solutions to the perceived problem of oversubscription outside the remit of a CUSC Modification. See section 4 below.
2	Do you have a preferred proposed solution?	<input 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 checked="" type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>We believe there are better solutions to the perceived problem of oversubscription outside the remit of a CUSC Modification, some of which already exist! See section 4 below.</p>
3	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>We believe there are better solutions to the perceived problem of oversubscription outside the remit of a CUSC Modification. See section 4 below.</p>
4	Do you have any other comments?	<p>Please find attached a copy of our Consultation Response to the Workgroup Consultation. A summary of our comments is below. Please contact us if you would like clarification on any of these points.</p> <p>Anti-competitive - CMP470 in any of its forms would be anti-competitive. It has been proposed and supported by parties with vested interests (not the interests of consumers). They have projects at the back of the queue and deep pockets.</p> <p>Small benefit - the benefit to consumers would be far smaller than suggested, as network design costs are already borne by the projects anyway! It is</p>

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		<p>noteworthy that this Mod has not been raised by NESO or any Transmission Operators, who allegedly will be the most impacted!</p> <p><u>High Negative Impact</u> - In fact having a large and diverse BESS pipeline makes efficient system planning easier and implementation faster. The large pipeline should be retained. For example BESS projects could be useful as LDES cap and floor projects – many projects shortlisted by Ofgem do not have planning permission yet and could therefore fail or be significantly delayed.</p> <p>A larger BESS pipeline provides valuable optionality for system balancing, constraint management, future demand growth, renewable integration and consumer cost reduction. The enormous benefit of storage (including long duration storage) to the electricity network during the Energy Transition is only beginning to be understood by many stakeholders. The potential must not be “killed” now. The CP2030 and NESO’s Strategic Spatial Energy Plan are due to be updated in the next year or two – we believe much more storage will be needed to achieve the Government’s targets.</p> <p>If you are minded to implement the proposal or one of its alternatives, a full impact assessment must be conducted to ensure that the correct (minimising impact to all stakeholders and proportionate) measure is used.</p> <p><u>Other Mitigations</u> - There are other ways of reducing the impact of oversubscription at a local level, for example bay sharing at the grid supply point.</p>
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		<p><u>Retrospective Effect</u> – this measure would have a retrospective effect on all projects that have already accepted their Gate 2 offers – thereby opening NESO up to legal challenge and undermining investor confidence in the UK at a time when this is needed most.</p> <p><u>Indiscriminate</u> – CMP470 would use a blunt financial security mechanism rather than a proper analysis of which projects are most beneficial to the system and the consumer. It is also to apply indiscriminately to projects that have already passed financial close (both equity and debt) and those that are strategically aligned with CP2030 as well as those that are not.</p> <p><u>Market Action</u> – The market should be given time to choose the most viable projects. Ability to post collateral is not a reliable proxy for economic or technical merit.</p> <p><u>Holistic Approach.</u> The preferable approach would be a holistic NESO/Ofgem/DESNZ solution that manages network-planning impacts while preserving competition, flexibility and the long-term consumer benefits of BESS deployment. This is possible for Ofgem to implement separately, but not the CUSC Panel. Otherwise, it would be like the engine room of the Titanic dictating the solution rather than the captain on the bridge who has all information and command.</p> <p><u>Proportionate Implementation</u> If a mechanism is essential, it must include safeguards for projects already committed, low-cost/low-impact projects, co-</p>
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		<p>located projects and projects that have incurred material development or construction expenditure.</p> <p>A TEC amnesty (which is a tool that is already available) would have an equal if not greater impact! This is because it would return cancellation securities to project developers and therefore minimise the impact of leaving the queue.</p> <p>We strongly support Ofgem’s proposal to retain the ability to veto, cancel, pause or reverse implementation if a better solution is already available or becomes available.</p> <p><u>In any case, an impact assessment on all stakeholders is essential before implementation.</u></p>
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?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>We note that CMP470 is likely to have market-entry and competition effects for BESS, which would influence the future pool of balancing service providers. We have not exhaustively reviewed whether there is a direct impact on EBR Article 18.</p>