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Workgroup Consultation Response Proforma

CMP471: Interim Connection Date Delay Process Ahead of CMP434 Gated Application Window

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 **24 July 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:	Rob Smith	
Company name:	Enso Energy	
Email address:	Rob.Smith@ensoenergy.co.uk	
Phone number:	Click or tap here to enter text.	
Which best describes your organisation?	☐ Consumer body ☐ Demand ☐ Distribution Network Operator ☒ Generator ☐ Industry body ☐ Interconnector	☒ Storage ☐ Supplier ☐ System Operator ☐ Transmission Owner ☐ Virtual Lead Party ☐ Other

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I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (this will be shared with industry and the Panel for further consideration)

☐ **Confidential** (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)

***The Electricity Regulation referred to in objective g) 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 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*

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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 questions 5 & 6) 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 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.*

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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.

Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions

1	Do you believe that the Original Proposal better facilitate the Applicable Objectives versus the current baseline?	Mark the Objectives which you believe the Original Solution better facilitates than the current baseline:	
		Original	☐ i ☒ ii ☐ iii ☒ iv ☐ v ☐ None
		Click or tap here to enter text.	
2	Do you support the proposed	☒ Yes ☐ No	

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	implementation approach?	Click or tap here to enter text.
3	Do you have any other comments?	This proposal appears to have been introduced due to the proposers experience in failing to bilaterally negotiate as relatively minor change in a project's completion date. Whilst we support this modification's intent and will support it through the process, we are disappointed that this proposal has become necessary. The approximate 2-year freeze in the connection application process, coupled with the evolving uncertainty of what a User's revised offer would contain, has led to a significant drop in investment confidence in the generation sector with many funders suspending the placement of capital until they receive Gate 2 offers and the associated clarity on revised connection dates, connection costs and connection points. The implications being that developers are no longer able to make the procurement commitments necessary to hit the connection dates they might get when the Gate 2 offer is issued. Therefore, we would have hoped that NESO and the Transmission Companies would recognise the difficult position that the delay in connection reform delivery had placed on projects and would apply some level of pragmatism in making sure that Users projects remained deliverable.

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		Ofgem and DESNZ's various open letters over the past year have indicated that NESO and the Network companies should indeed do so. It seems this signal has been interpreted differently by different transmission Operators with some applying a level of pragmatism, providing connectees are not adversely affected, whilst others believe that their licence obligations do not afford them any discretion. (a position we do not think is accurate) Whilst this proposal does attempt to rectify this issue, it is forced to do so after the TO has already done its network assessment and provided its initial connection solution, via NESO, to the customer. Therefore, if the connection date can subsequently be amended it necessitate a second assessment of the connection and any associated implications for network re-design. If the TO could consider all these requests for change prior to its initial solution it would be able to coordinate across all the connections in a particular group and generate a much more efficient outcome. Therefore, it would seem far more efficient if the TO's could informally engage with the Users prior to undertaking a detailed connection study so they could assess whether any changes could be accommodated in the first assessment interaction. We are confident this would save resource, time and minimise the impact on any third parties.
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		This strict adherence to an impractical, non-customer friendly process will potentially create a greater amount of work in aggregate in the long run, put projects at risk, further erode investor confidence and put the deliverability of CP30 in greater jeopardy.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	☐ Yes (the request form can be found in the <u>Workgroup Consultation Section</u>) ☒ No Click or tap here to enter text.
5	Does the draft legal text satisfy the intent of the modification?	☐ Yes ☒ No We support the legal text as it is written but we would urge that greater clarity is provided to the rules when a User who has received a Gate 2 offer subsequently makes a Connection Date Delivery Request. The position in relation to the acceptance deadline for the original Gate 2 offer should be made clearer.
6	Do you agree with the Workgroup's assessment that the modification does not	☒ Yes ☐ No

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	impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	Click or tap here to enter text.
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Specific Workgroup Consultation questions

7	What submission mechanism (post offer negotiation or a formal modification application route) is most appropriate to process a Completion Date Delay Request for Users that have not accepted a Gate 2 Offer?	We would support a post offer negotiation (although we believe that it is better to have these discussions directly with the TO before any offers are made as this will improve the ability to be pragmatic and reduce the amount of rework that will need to be undertaken and minimise the impact on other Users in the queue.
8	Would you anticipate using the Connection Date Delay process to change your Gate 2 modification Offer?	☒ Yes ☐ No
9	If yes to question 8, for what reasons?	This answer to this question is it depends on the connection dates we get in our Gate 2 offers. We have a number of phase 1 offers with current connection dates that start as early as 2028. With uncertainty over the connection date, connection costs, type of connection or PoC, it may not be possible to order some of the

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		equipment we may require connecting our asset in time to meet our connection date. Coupled with this, if the PoC is changed we may need to revise our cable route to the substation which will require the negotiation of additional land easements. All this uncertainty will require time to resolve. Therefore, we would need to assess this on a case-by-case basis.
10	Do you believe the legal text is sufficiently clear without requiring supporting information within the Gated Modification Guidance?	☐ Yes ☒ No CUSC legal text has been revised significantly over time, and it is not particularly intuitive or easy to follow. The provision of clear and useful guidance will reduce the risk of Users making mistakes that will subsequently jeopardise project delivery
11	Would you propose any variations to the supporting information within the updated Gated Modification and Queue Management Guidance (see Annex 7 and 8)?	For projects that have not yet received, or not yet accepted their Gate 2 offers, the guidance should more fully explain the interaction, and the rules, between submitting a CDDR (which could take up to 112 days to receive an answer) and the 3-month deadline to sign a Gate 2 offer after issuance by NESO.
12	Are there any ramifications from excluding DNO embedded projects that are not already catered for in the	We understand that a level of connection date flexibility already exists within distribution networks. If this proves to be the case and closely replicates the outcomes envisaged in this CUSC proposal, then we do not believe there are any negative impacts in not including

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	separate connections process?	DNO connections in this proposal. However, it would be useful to clarify this point and how large, embedded connections would be dealt with in these circumstances.
13	If the NESO securities delay proposal were to be progressed could it potentially resolve the concerns in relation to your relevant projects, or do you feel that a date change mechanism proposed with CMP471 would be more useful in respect of your projects?	Whilst we applaud the NESO initiative to mitigate project investment risk, this proposal only benefits a very specific sub-section of projects. As such, although beneficial and complimentary, it does not mitigate the need for this CUSC modification.
14	The Original proposal includes 60 Business Days for NESO to respond to a Connection Date Delay Request. Do you believe this is: a) too long, b) about right, or c) too short – and why?	☒ Too Long ☐ About right ☐ Too short Given the proposal is limited to a date change from the original proposal, this does seem a long time, especially when considered against a 3-month window TO's utilised to provide a full, costed, designed connection offer. However, given this work will predominately be undertaken by the applicable network company, it would be useful to understand if they support this timeframe and the supporting justification.

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15	In CUSC 18, there is currently no proposed legal text describing the interaction between a Gate 2 Modification Offer validity period (3 months) and a Connection Date Delay Request which is made within that period. Do you believe there should be explicit drafting on this topic, and what that relationship should be?	We would propose that the legal text is made clearer to understand the process interaction for signing the initial Gate 2 offer and any subsequent changes driven by the submission of a completion date delay request (CDDR). In the scenario where a Gate 2 offer has not been made 10 days after the implementation of CMP471 the User has 20 Business days to make a CDDR. The TO/NESO then have 60 Business Days to send a revised offer. This equates to a maximum of 112 days in total. Users only have 3 months to accept their Gate 2 Offer. The modification appears to be silent on whether the Gate 2 acceptance offer deadline needs to be extended to accommodate the CDDR timeline. Again, unless missed, we presume that a particular project can only apply for CDDR once. We cannot find legal text within the code to two questions related to the CDDR. Therefore, we would propose that it is made clearer either in the code or in the guidance (with reference as to how the code fits together to enable the answer) of the following... How long do you have to accept a revised offer via the CDDR process, once it has been made. Does it count as a newly issued offer or an amendment to an existing offer? Therefore, are parties allowed 3 months or 4 weeks (or other) to accept or reject or allow it to time out?

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		Are you obliged to sign your original offer before receiving the revised CDDR generated revised offer if the 3-month deadline for the original Gate 2 offer lapses?
16	Do you perceive any benefits or drawbacks to not including explicit provision for consequential updates to the Appendix J Construction programme in line with any delay to the Completion Date arising from this mechanism?	If the appendix J no longer reflects the actual expected dates in the construction program, then this puts a risk on both the developer and network operator. This may have implications for investment certainty and willingness to take FID. Therefore, any revised offer should reflect the best view of appendix J milestones or some binding letter that commits those dates to being redefined. This will avoid confusion regarding each party understanding of how date changes impact the construction program. Otherwise, this could lead to a point of contention.
17	Do you perceive any interactions with commercial frameworks, such as Government's Contract for Difference (CfD) or Capacity Market (CM)?	We do not believe so, as until a Gate2 offer is signed the CfD methodology determines that the currently signed offer is used to assess whether the project meets the auction entry criteria.
18	Do you agree that 20 Business Days after receipt of a relevant Offer, or 20 Business Days beginning 10 days following the	Yes

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	Implementation Date is sufficient to submit the required Completion Date notices to NESO?	
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