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Code Administrator Consultation Response Proforma

CMP472: Large Embedded Generators Original Red Line Boundary Sharing Without Customer Consent

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 19 May 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:	Muki Liu	
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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 (<i>this <u>will be shared</u> with industry and the Panel for further consideration</i>)
	☐ 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 (Connection charging) Objectives are:

- a) Means the Use of System Charging Objectives, as if references therein to the Use of System Charging Methodology were to the Connection Charging Methodology and in addition, the objective (where consistent with the other objectives) of facilitating competition in the carrying out of works for connection to the National Electricity Transmission System.

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

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***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 questions 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 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;*

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- 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.

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 solution against the Applicable Objectives versus	Mark the Objectives which you believe the proposed solution better facilitates than the current baseline:	
		Original	☒ i ☒ ii ☐ iii ☒ iv ☐ None
		Overall assessment: CMP472 is a necessary, proportionate, and low-impact code change that directly addresses a known governance and process gap in Gate-2 delivery for Large Embedded	

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	the current baseline.	Generators (LEGs). It materially improves efficiency, fairness, and whole-system outcomes relative to the current baseline, where DNOs cannot verify ORLB alignment without customer consent despite being responsible for distribution-side compliance. (i) Efficient discharge of statutory and licence obligations – Positive CMP472 enables NESO to ensure that only projects holding valid and compliant Distribution Connection Agreements progress through Gate 2. This allows earlier identification and removal of ineligible projects, avoiding unnecessary gated design, assessment, and queue management activity across NESO, TOs and DNOs. The result is a more coordinated, economic and efficient system, with reduced avoidable costs that would ultimately be borne by consumers. (ii) Facilitating effective competition in generation, supply, distribution and purchase – Positive By ensuring scarce network capacity and queue positions are reserved for projects that meet Gate-2 and distribution compliance requirements, CMP472 reduces speculative or invalid queue occupancy, improves fairness between embedded and transmission-connected applicants, and increases confidence for delivery-ready projects and investors. This supports fair and effective competition in electricity generation and supply. (iii) Compliance with Electricity Regulation and relevant decisions – Neutral
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		CMP472 is a narrow data-sharing permission within CUSC Section 17 and does not interact with or impact Electricity Regulation requirements. (iv) Promoting efficiency in the implementation and administration of the CUSC – Positive By explicitly codifying a limited ORLB data-sharing permission, CMP472 removes ambiguity, reduces dispute risk, and streamlines the gated application process. It enables better forecasting and allocation of industry resources during and after application windows, improving administrative efficiency of the CUSC arrangements.
2	Do you support the proposed implementation approach?	☒ Yes ☐ No NESO supports the proposed implementation approach. Adding an explicit acknowledgement to Gated Application and Gated Modification forms provides transparency to LEG applicants that their ORLB will be shared with the relevant DNO for the sole purpose of verifying continued compliance with distribution connection requirements. NESO will endeavour to share ORLB data with the relevant DNO as soon as reasonably practicable.

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		This is clear, proportionate, and aligned with the intent of the modification.
3	Do you have any other comments?	CMP 472 delivers consumer, stakeholder and energy-transition benefits CMP472 delivers clear benefits to stakeholders and consumers and directly supports the delivery of a net-zero, secure and affordable energy system: <u>Net zero and Clean Power 2030 delivery:</u> Ensuring only compliant, deliverable projects progress through Gate 2 focuses scarce system capacity and industry effort on projects that are ready and needed, accelerating decarbonisation. <u>Lower bills:</u> Early removal of projects with invalid distribution arrangements avoids unnecessary network design, assessment and potential overbuild, reducing costs that would otherwise be passed through to consumers. <u>Security of supply and resilience:</u> By improving queue confidence and enabling timely connection of viable low-carbon generation, the proposal supports a more reliable and diverse electricity system, less exposed to fossil-fuel-driven price volatility.

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		<u>Improved quality of service and fairness:</u> The change ensures consistent treatment between embedded and transmission applicants and prevents compliant distribution customers from being disadvantaged by projects that cannot ultimately connect. Data confidentiality and proportionality NESO recognises the importance of protecting commercially sensitive information. CMP472 is appropriately designed and proportionate: ORLB sharing is strictly limited in purpose: to verify continued compliance with distribution connection requirements. Data is shared only with the relevant DNO and remains subject to existing NESO and DNO confidentiality and data-handling controls. The proposal codifies an activity that is necessary to discharge statutory and code obligations, reducing ambiguity and dispute risk rather than expanding data use. NESO considers these safeguards sufficient to manage confidentiality risks while delivering essential system benefits. Why a CUSC modification is the appropriate (and necessary) route
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		NESO strongly agrees that a CUSC modification is the only effective and legally robust mechanism to address the issue: Documents such as connections application forms and technical data submission guidance cannot create enforceable data-sharing rights and would render ORLB sharing voluntary and inconsistent. The Grid Code is not the appropriate instrument for gated application data and compliance requirements, which are set out in CUSC Section 17. A CUSC modification provides the required legal clarity, enforceability, and consistency across all parties.
4	Do you agree with the Proposer's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	☒ Yes ☐ No NESO agrees with the Proposer's assessment that CMP472 does not impact EBR Article 18 terms and conditions. The modification is a limited CUSC change focused on Gate-2 compliance and data-sharing permissions only.