

Public

Workgroup Consultation Response Proforma

CMP474: Fixed Balancing Services Use of System Price revision mechanism

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 cust.team@neso.energy by **5pm** on **25 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 cust.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Andrew Jones	
Company name:	TotalEnergies Gas and Power	
Email address:	andrew-e.jones@totalenergies.com	
Phone number:	N/A	
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 type="checkbox"/> Storage <input checked="" type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

Public

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*)

For reference the Applicable CUSC (charging) Objectives are:

- d) *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- e) *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C11 requirements of a connect and manage connection);*
- f) *That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses and the ISOP business*;*
- g) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and*
- h) *Promoting efficiency in the implementation and administration of the system charging methodology.*

* See Electricity System Operator Licence

**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

Public

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.*

What is the EBR?

Public

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?	<div>Mark the Objectives which you believe the original solution better facilitates the current baseline:</div> <div> <div>Original</div> <div> <input checked="" type="checkbox"/>d <input type="checkbox"/>e <input type="checkbox"/>f <input type="checkbox"/>g <input checked="" type="checkbox"/>h <input type="checkbox"/>None </div> </div> <div>We agree with the consultation</div>
2	Do you support the proposed implementation approach?	<div> <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No </div> <div>We understand there to be no IT support needed to implement the change for us</div>
3	Do you have any other comments?	<div>Click or tap here to enter text.</div>

Public

4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section here) <input checked="" type="checkbox"/> No Click or tap here to enter text.
5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
6	Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

Public

Specific Workgroup Consultation questions		
7	Do you agree with the proposed 50% threshold for the information notice?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8	Will publication the proposed information notice be helpful to industry?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The more notice the lower the risk of supplier market exits and customer detriment
9	Do you agree with the proposed Working Capital utilisation floor of 50% and 75%?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Better use of working capital is an important improvement, this is a balance between utilization and short notice customer impacts
10	Do you agree with the proposed enduring arrangements of 3 months' notice period for the tariff reset?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text. It will improve the existing process, and we support it. It is designed for the needs of the domestic market and is not the perfect solution for the non-domestic market, which has more longer term fixed contracts, and customers on pass through contracts who will see the change immediately and need notification on

Public

		the change. We would not want less than 3 months notice for our customers.
11	Do you agree that the enduring arrangements of 3 months' notice period for tariff reset will benefit the non-domestic customer on pass-through contracts when compared to the baseline?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text. We are a non-domestic supplier. It will improve the existing process, and we support it. It is designed for the needs of the domestic market and is not the perfect solution for the non-domestic market which has more longer term fixed contracts, and customers on pass through contracts who will see the change immediately and need notification on the change. We would not want less than 3 months notice for our customers.</p>
12	Do consider that the proposed solution will expose NESO to further risks that cannot be reasonably managed?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p> <p>We do agree it will expose NESO to further risks, though we expect they can be reasonably managed. A balance has to be found between the needs of NESO and the customer. NESO will have to look to manage the risks in other ways like better use of working capital and ensuring it recovers in its long term planning the income to cover the</p>

Public

		growing needs of the system, for example as more renewables come online.
13	Do you agree that the proposed solution will reduce the risk for Suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>Click or tap here to enter text. It will reduce the risk for suppliers given the potential sums involved we could see market exits without this change being implemented, which does not help customers, the system or NESO. It will also help manage negative reactions from customers and bill shock.</p>