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## 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 [cusc.team@neso.energy](mailto:cusc.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 [cusc.team@neso.energy](mailto:cusc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Paul Youngman	
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<b>Phone number:</b>	07738802266	
<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" 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

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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*)

### 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.*

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*\* 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 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 the current baseline:	
		Original	<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
		<p>We are supportive of this proposal. Firstly, it meets objective (h) Promoting efficiency. By detailing in the CUSC the steps and process by which NESO may reset the BSUoS tariff it promotes efficiency in the administration of charges.</p> <p>In addition, the change promotes objective (d) effective competition. By mitigating uncertainty this measure should have a positive impact on</p>	

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		suppliers and the products and prices they offer to consumers.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <hr/> We support the approach
3	Do you have any other comments?	None.
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 <a href="#">here</a> ) <input checked="" type="checkbox"/> No <hr/> We do not wish to raise an alternate at this time.
5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <hr/> No additional comment.
6	Do you agree with the Workgroup's assessment that	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	Yes.
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## Specific Workgroup Consultation questions

7	Do you agree with the proposed 50% threshold for the information notice?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		We understand the reason why the value has been set at 50% currently given the increase caused by the current geopolitical situation, however in our view we feel this would be too low for normal operation.
8	Will publication the proposed information notice be helpful to industry?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Yes. It would be good to get clarity on the total working capital available along with key dates and indicative tariffs where those are available.

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9	Do you agree with the proposed Working Capital utilisation floor of 50% and 75%?	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
		<p>In principle we agree, however we believe this may need more analysis and thought to understand the interactions between the two measures and how this may materialise. Viewing the tariff reset scenario we see forecasts a week apart identifying large swings in the predictions for Tariff 8 that we would want to consider in more detail to avoid any unintended consequences.</p>
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
		<p>Yes.</p>
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	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
		<p>Yes, we agree this should be beneficial for consumers. Three months' notice of a pricing impact is much better than 5 days' notice.</p>

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	compared to the baseline?	
12	Do consider that the proposed solution will expose NESO to further risks that cannot be reasonably managed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  By establishing a clear framework of operation within the CUSC we believe the proposal helps NESO manage the significant reputational and charging risk they are currently exposed to.
13	Do you agree that the proposed solution will reduce the risk for Suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  The proposal should enable suppliers to price with better foresight and thereby reduce the charging risk for customers.