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Code Administrator Consultation Response Proforma

CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue

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 June 2025**. 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 Joe Henry Joseph.henry2@neso.energy or cusc.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Alfie Chambers	
Company name:	Noriker Power Ltd	
Email address:	alfiec@noriker.co.uk	
Phone number:	+44 7838 289144	
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

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 (non-charging) Objectives are:

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- 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 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;*
- 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.

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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(s) against the Applicable Objectives against the current baseline?	<p>Mark the Objectives which you believe the proposed solution(s) better facilitates than the current baseline:</p> <table border="1"> <tr> <td data-bbox="579 1160 837 1294">Original</td><td data-bbox="837 1160 1388 1294"> <input type="checkbox"/>i <input type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input checked="" type="checkbox"/>None </td></tr> <tr> <td data-bbox="579 1294 837 1429">WACM1</td><td data-bbox="837 1294 1388 1429"> <input type="checkbox"/>i <input type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input checked="" type="checkbox"/>None </td></tr> <tr> <td data-bbox="579 1429 837 1563">WACM2</td><td data-bbox="837 1429 1388 1563"> <input type="checkbox"/>i <input type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input checked="" type="checkbox"/>None </td></tr> </table> <p>Click or tap here to enter text.</p>	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
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							
2	Do you have a preferred proposed solution?	<p> <input type="checkbox"/>Original <input type="checkbox"/>WACM1 <input type="checkbox"/>WACM2 <input checked="" type="checkbox"/>Baseline <input type="checkbox"/>No preference </p> <p>Click or tap here to enter text.</p>						

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3	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Click or tap here to enter text.		
4	Do you have any other comments?	<p>All three proposed solutions are aimed at solving a problem which may never arise and there is insufficient data available to design it to a suitable standard and level to mitigate the issue. It is challenging to put together a suitable proposal for an issue which does not exist. It also assumed all problems leading to projects failing to progress at the required pace will occur between the award of a gate 2 offer and the submission of a planning application (M1), this could potentially leave the exact same issue but further down the line.</p> <p>CMP434 and CMP435 are providing a great deal of market uncertainty and difficulty in securing funding for project development. The addition of CMP448 poses an additional risk to this issue, which could ultimately remove the smaller developers who require funding for development.</p> <p>The manner in which the work group voted goes to further display that this proposal only has a negative impact on the smaller developers. This proposal, and all proposals of a similar nature, run a similar risk of removing key competition from the market. Those voting from larger organisations voted in favour of the changes and particularly the changes involving no reduction in the termination fee requirement and thus the associated security. This is not a suitable solution for smaller developers with less cash available to post as security and is distinctly damaging to objective ii which aims to increase competition of development.</p> <p>Projects are already required to place security against all associated work with the project. This security is reduced as the project becomes more certain (i.e. the trigger date passes (42%) and planning is granted (10%)). This securitisation of assets is already a suitable cost to ensure projects are developing. Adding the risk of second security for termination charges when it may never be required is illogical and unsuitable for a problem that does not currently exist and can't be quantified.</p>

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5	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.		