

Public

Workgroup 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@nationalenergyiso.com by **5pm** on **07 April 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@nationalenergyiso.com or cusc.team@nationalenergyiso.com

Respondent details	Please enter your details	
Respondent name:	Dennis Gowland	
Company name:	Research Relay Ltd	
Email address:	dennis@researchrelay.com	
Phone number:	07739392965	
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 type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input checked="" 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*

Public

Workgroup, Panel or the industry for further consideration)

For reference the Applicable CUSC (non-charging) Objectives are:

- a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;*
- b) 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;*
- c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and*
- d) Promoting efficiency in the implementation and administration of the CUSC arrangements.*

** See Electricity System Operator Licence*

***The Electricity Regulation referred to in objective (c) 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;*

Public

- 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 ESO 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 and/or any potential alternatives 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	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D
		In its current form the risk to a project is unclear as investors do not know when the PCF may be activated – so will presumably have to factor this in as a reality from day one. This is a potential extra hurdle especially to smaller (perhaps community level) projects and those with technologies which may require longer pre-planning application lead times. Overall worse for B) than the baseline.	
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes	
		<input type="checkbox"/> No	
		Click or tap here to enter text.	

Public

7	Do you agree or disagree with the current design of the PCF (Progression Commitment Fee) in the CMP448 Original Proposal regarding the profile and timing of the fee ? Please provide the rationale for your views.	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
8	Do you agree or disagree with the current design of the PCF (Progression Commitment Fee) in the CMP448 Original Proposal regarding to the Trigger Metric ? Please provide the rationale for your views.	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

Public

9	Do you agree or disagree with the current design of the PCF (Progression Commitment Fee) in the CMP448 Original Proposal regarding the Trigger Threshold ? Please provide the rationale for your views.	<input type="checkbox"/> Yes <input type="checkbox"/> No It seem arbitrary
10	Do you agree or disagree with the current design of the PCF (Progression Commitment Fee) in the CMP448 Original Proposal regarding the Trigger Activation Governance ? Please provide the rationale for your views.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Problem with ascertaining Queue Health in one part of the grid and then applying it universally.
11	Do you agree or disagree with the current design of the PCF (Progression Commitment Fee) in the CMP448 Original	<input type="checkbox"/> Yes <input type="checkbox"/> No

Public

	<p>Proposal regarding the £/MW value of the fee? Please provide the rationale for your views.</p>	<p>Click or tap here to enter text.</p>
12	<p>Do you agree or disagree with the methodology presented to the Workgroup by NESO regarding safeguarding considerations? Please provide the rationale for your views.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
13	<p>Do you agree or disagree with the current outline for projects that would be within scope of the PCF (Progression Commitment Fee)? Please provide your rationale.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>

Public

14	Do you agree with the Proposer's approach to demand projects ? Please provide your rationale.	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
15	Do you agree with the PCF (Progression Commitment Fee) scenarios put forward by the Proposer? Please provide your rationale.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No As far as they go.

Public

16	Do you agree with definition of Queue Health put forward by the Proposer? Please provide your rationale.	<div data-bbox="564 443 638 477"><input type="checkbox"/> Yes</div> <div data-bbox="564 510 638 544"><input checked="" type="checkbox"/> No</div> <div data-bbox="564 640 1342 808">Only if it is targeted and not where any place in GB network can trigger the PCF for all projects identified as being in the queue Gate 2 Milestone 1 anywhere in the network and any technology</div>
17	Do you agree that the Proposal adequately takes into consideration the interface with embedded and distribution connected projects ? Please provide your rationale.	<div data-bbox="564 1216 638 1249"><input type="checkbox"/> Yes</div> <div data-bbox="564 1283 638 1317"><input checked="" type="checkbox"/> No</div> <div data-bbox="564 1406 954 1440">Click or tap here to enter text.</div> <div data-bbox="564 1473 1358 1552">It is unclear at present until embedded projects can ascertain their exposure to PCF through their relevant DNOs</div>

Public

18	<p>Do you have any views on any of the initial potential alternatives considered by the Workgroup? Please indicate which ones you support or do not support and where possible please provide your rationale.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <hr/> <p>We support Potential Alternative #3 as a better – more targeted and fairer approach to assessing ‘Queue Health’ from which the metric to ‘Trigger’ the PCF is derived.</p> <p>We support to a lesser extend the following:</p> <p>Potential Alternative #1 – as the situation for Embedded Generation in the Original is presently unclear.</p> <p>Potential Alternative #4 – support discount for self-termination of projects earlier.</p> <p>Potential Alternative #5 seems like a variant of Alt #3 in that it seeks to avoid the one-size-fits all approach to the activation and application of the PCF. On the face of it the calculation based on action plan of CP2030 would seem to be more complicated than applying the metric in the Original to the 18 large ETYS zones which is proposed in Alt #3</p> <p>Potential Alternatives #6 and #7 also have merit.</p>
----	--	---
