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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:	Helen Stack	
Company name:	Centrica	
Email address:	helen.stack@centrica.com	
Phone number:	07979567785	
Which best describes your organisation?	<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 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*)

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☐ **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:

- 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;

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- 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.

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.

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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?	Mark the Objectives which you believe the proposed solution(s) better facilitates than the current baseline:						
		<table border="1"> <tr> <td>Original</td> <td> <input checked="" type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> <tr> <td>WACM1</td> <td> <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>WACM2</td> <td> <input checked="" type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> </table>	Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input 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 checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input 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 checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None					
<p>We believe the Original and WACM2 both better facilitate ACOs (i), (ii) and (iv). We agree with the reasoning presented by the Original Proposer.</p> <p>We support the changes introduced by the Original Proposer in response to the Workgroup Consultation.</p> <p>For both the Original and WACM2, the key benefits we want to highlight against the ACOs are:</p> <p>ACO (i) – efficient discharge of Licensee obligations</p> <p>Both the Original and WACM 2 would help NESO act quicker to address issues with queue health if non-viable projects risk blocking the connection of readier and more viable projects needed to contribute to net zero targets.</p>								

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		<p>ACO (ii) – facilitating effective competition</p> <p>Both the Original and WACM2 will allow NESO to deploy the PCF as an additional tool to speed up the connection of viable projects, thereby facilitating competition in electricity generation.</p> <p>ACO (iv) – efficiency in implementation and administration of CUSC arrangements</p> <p>If the PCF is triggered then, by encouraging early self-removal of non-viable projects, the Original and WACM2 will allow relevant Licensees to focus resources on progressing the connections of viable, ready and needed projects. This should have consequential benefits for generators and consumers, including for:</p> <ul style="list-style-type: none"> • Generators – scope for improved customer services from network companies and faster connection times (although Ofgem’s End to End Review must also deliver stronger, clearer obligations on network licensees to ensure those improvements materialise). • End consumers – a reduction in the costs passed on to end consumers, relative to the status quo. <p>We believe WACM2 better facilitates ACOs (i), (ii) and (iv) compared to the Original because WACM2 adds an incentive for projects to self-terminate at an early opportunity.</p> <p>WACM1</p> <p>The level of discount in WACM1 results in WACM1 failing to address the defect meaningfully. Any</p>
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		relative minor benefit from WACM1 would be outweighed by the 'costs' of implementation.
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input checked="" type="checkbox"/> WACM2 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>WACM2 is our preferred solution.</p> <p>We believe WACM2 can drive greater efficiency in the process, over and above the Original, by:</p> <ul style="list-style-type: none"> • creating an incentive for projects to terminate at an earlier opportunity • supporting competition by de-risking the process for viable projects, noting that these will still have to post securities for the full PCF amount. <p>We have had time since the Workgroup vote to fully consider the mechanics of WACM2 and believe it is an efficient and effective solution.</p> <p>We agree that WACM2 needs to work off the point when the developer starts the termination or reduction process. This is due to delays that we have experienced with networks completing their own processes to conclude terminations.</p> <p>Our position is that WACM2 better facilitates ACOs (i), (ii) and (iv) compared to the Original.</p>

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3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We agree CMP448 should be in place by the time NESO starts issuing the 'whole queue to new queue' Gate 2 Offers.
4	Do you have any other comments?	No
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.