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Code Administrator Consultation Response Proforma

CMP447: Removal of designated strategic works from cancellation charges/securitisation

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 **03 October 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 cust.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Sarah Graham	
Company name:	Arven Offshore Wind Farm Limited	
Email address:	Sarah.Graham@oceanwinds.com	
Phone number:	07464675593	
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:

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(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:

- 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 question 5) the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) fostering effective competition, non-discrimination and transparency in balancing markets;

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- 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.

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

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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 solutions against the Applicable Objectives against the current baseline?	Mark the Objectives which you believe the proposed solutions better facilitate than the current baseline:
		Original <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM1 <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM2 <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		WACM3 <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None
		All proposals go some way to remove the current barriers to effective competition in the generation and supply of electricity, however WACM1, WACM2 and WACM3 all provide additional certainty to Generators, and increased transparency in the designation process.

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2	Do you have a preferred proposed solution?	<div> <input type="checkbox"/>Original <input type="checkbox"/>WACM1 <input type="checkbox"/>WACM2 <input checked="" type="checkbox"/>WACM3 <input type="checkbox"/>Baseline <input type="checkbox"/>No preference </div> <p>While we fully support the principles behind the modification, we do not believe the Original Proposal offers sufficient clarity or certainty to a Generator as to which works are likely to be deemed Attributable and which are not.</p> <p>We believe all 3 WACMs represent an improvement on the Original Proposal, with WACM3 offering the most transparent, fair and efficient process, to best address the defect.</p> <p>Early visibility of which projects will be affected by the modification is as valuable as the removal of securities itself, as it enables Generators to make informed investment decisions about accepting upcoming Gate 2 offers.</p> <p>A clear exclusion framework, grounded in strategic investments, provides the advanced risk mitigation that Generators need to maintain investment momentum and deliver projects on time. It also enhances the Original solution by</p>
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		improving CUSC implementation efficiency, avoiding multiple stages of designation that would otherwise cause unnecessary processing delays and prolonged uncertainty for Generators.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We are supportive of the proposal to implement the change as soon as possible. We agree with the workgroup view that implementing the modification in time for Gate 2 offers (or at the very latest, the next security deadline in Q1 2026) is critical.
4	Do you have any other comments?	It is unclear from the workgroup report whether there is any change to the Wider Works Cancellation Charge. The report notes on page 29 that <i>"Adjusting the definition of Wider Works cancellation charge to remove Excepted Works was seen as logical and necessary"</i> , and this was supported by the majority of WG Consultation responses, however it appears that this change has not been incorporated within the modification legal text. This is a point requiring urgent clarity as there is a potentially significant unintended consequence of increased Wider Works Cancellation Charges.

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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.