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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](mailto: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](mailto:cust.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Harvey Takhar	
<b>Company name:</b>	NESO	
<b>Email address:</b>	Harvey.Takhar1@neso.energy	
<b>Phone number:</b>	07966 808230	
<b>Which best describes your organisation?</b>	<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 checked="" 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 type="checkbox"/> iv <input type="checkbox"/> None
		WACM2 <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		WACM3 <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		<p>All the WACM formulations and the Original, are effective in adjusting fixed attributable works of relevant generators. This adjustment in the Original is designed to be minimally-disruptive to the concept embedded in CMP192 that a fix to attributable works is irreversible.</p> <p>As to the primary part of the mod's working : the original formulation is an elegant and simple way to encapsulate a solution. I consider it to be the best solution to the defect in baseline, better than the WACMs.</p> <p>WACM1 attempts to tie down what works are excluded in relation to CP30 and Beyond 2030, which onshore precede the specific</p>

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		<p>recommendations in the CNSP (first published from end 2027, on the current plan) and relate to for example new circuits out of general areas like “North east Scotland”. WACM1 also attempts to tie down what works are excluded in relation to the CSNP. It’s the CSNP that will in most cases translate CP30 and Beyond 2030 into specific onshore circuits, for which Ofgem may then go on to approve their needs cases and fund construction. These apparently-precise formulations in the paragraphs of WACM1’s text do ultimately still leave a judgement being made as to whether each transmission scheme is generator-dependent or for wider system benefit, which is the judgement being made in relation to all circuits under the original. WACM1 adds a good deal to perceived complexity without really adding precision. Process names can change over time; these WACMs do attempt to mitigate that risk. WACM1 (and derived WACM3) are, though, better than baseline, and we respect the effort put into their drafting.</p> <p>WACM2 attempts to add transparency by imposing certain obligations on NESO. We prefer the baseline where ultimately Ofgem has discretion to designate, having taken advice from NESO; we do not consider for instance that publication of instances where Ofgem has taken a decision that differed from NESO advice represents an efficient or necessary process. WACM2 is better than baseline. We appreciate the effort and thought that went into it.</p>
2	Do you have a preferred proposed solution?	<p><input checked="" type="checkbox"/>Original</p> <p><input type="checkbox"/>WACM1</p> <p><input type="checkbox"/>WACM2</p> <p><input type="checkbox"/>WACM3</p> <p><input type="checkbox"/>Baseline</p> <p><input type="checkbox"/>No preference</p>

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		Reasoning given in reply to question 1
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Click or tap here to enter text.
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.