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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 cusc.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 cusc.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Kyle Murchie	
Company name:	Roadnight Taylor	
Email address:	Kyle@roadnighttaylor.co.uk	
Phone number:	07500808658	
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:

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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?	<p>Mark the Objectives which you believe the proposed solutions better facilitate than the current baseline:</p> <table border="1"> <tr> <td>Original</td> <td> <input type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> <tr> <td>WACM1</td> <td> <input type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> <tr> <td>WACM2</td> <td> <input type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> <tr> <td>WACM3</td> <td> <input type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> </table> <p>WACM 3 is believed to best facilitate Objective ii. Objectives i and iv are better facilitated by WACM 2 and WACM 3 when compared to the Original, but not necessarily the baseline.</p>	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
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									
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input checked="" type="checkbox"/> WACM3								

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		<input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>While all proposals have their merits, WACM 3 is the preferred option, followed by WACM 2.</p> <p>WACM 3 streamlines the designation of Excepted Works and minimises the risk of independent methodologies which would be at odds with the concept of a Centralised Strategic Network Plan, while setting out a minimum set of obligations on NESO.</p> <p>It is appreciated WACM 3 is based on a number of assumptions, thus we believe WACM 2 to be the next best alternative. WACM 2 delivers the Original while introducing minimum set of requirements on NESO. Without such requirements the changes proposed as per of the Original do not mandate any action, potentially devaluing the Working Groups efforts and resulting in no measurable change.</p> <p>Importantly, no present option seeks to modify the Wider Cancellation Charge. Thus, while Attributable Works may be excluded (subject to CMP447 approval) some regions could be faced with a significant increase in Wider Cancellation Charges. While the Working Group paper suggests that the Wider Works are “more</p>

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		<p>general and spread across a wider group of Users, as well as being halved before publication, it is recommended that actual examples are created to quantify the impact. It is also recommended that Wider Works be considered further, if not through this modification then another in near future.</p>
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>Implementation as soon as practicable is necessary, with the impact of CMP447 and subsequent designations potentially significant at time of Gate 2 Offers.</p>
4	Do you have any other comments?	<p>CMP447 could facilitate a significant change to how network investment is financially secured, aligned with wider reforms, strategic planning and RIIO-T3. The concept has developed since CM094 and is likely to have a positive impact on significantly more projects than CMP428. A decision on CMP447 will feed into other ongoing mods and industry developments, therefore a decision in 2025 is important.</p> <p>Importantly, the Wider Cancellation Charge methodology is unchanged. Recommend this is</p>

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		considered further and a clear set of proposed next steps included within the final report.
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
		No further comments.