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## Workgroup 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](mailto:cusc.team@neso.energy) by **5pm** on **04 August 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 [sarah.williams@neso.energy](mailto:sarah.williams@neso.energy) or [cusc.team@neso.energy](mailto:cusc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Gareth Williams	
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<b>Phone number:</b>	Click or tap here to enter text.	
<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 type="checkbox"/> System Operator <input checked="" type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

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**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 Workgroup, 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.

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**For reference, 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;*
- 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.

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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.

**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 better facilitates 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"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		We believe that the Original solution better facilitates the current baseline with regards to objective ii (Facilitating effective competition in the generation and supply of electricity). We believe that the Original solution allows more competition by apportioning more appropriate liabilities to generators through their Attributable Works without endangering the principle that TO funding is guaranteed under the price control framework.  We are neutral on Objectives i, iii, and iv.
2	Do you support the proposed	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No

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	implementation approach?	We agree that the modification should be implemented in the Gate 2 offers due to be sent out to generators to ensure the generators can benefit from the objective of this modification. It is imperative that the modification is implemented in time if this is to be the case.
3	Do you have any other comments?	We are supportive of the idea that the implementation of CMP447 is crucial for making Gate 2 offers financially viable for generators and preventing project delays, and that the exclusion of Attributable Works from securities aligns with the principle that TO funding is guaranteed under the price control framework
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation Section</a> ) <input checked="" type="checkbox"/> No <a href="#">Click or tap here to enter text.</a>
5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <a href="#">Click or tap here to enter text.</a>
6	Do you agree with the Workgroup's assessment that the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	
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### Specific Workgroup Consultation questions

7	Can you suggest a better definition, than those put forward in the Workgroup Consultation of how Ofgem might exercise its discretion in relation to designation of transmission works?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		We think that the definition put forward of how Ofgem might exercise its discretion in relation to designation of transmission works (“or otherwise so designated”) is sufficient to ensure that Ofgem have the requisite flexibility to designate future schemes as appropriate, but we would expect appropriate consultation on this.
8	Can you suggest an alternative approach to adjustment of the ‘fix’ of the Attributable Works to that in the Original Proposal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		The proposed adjustment of the ‘fix’ to the Attributable Works as set out in paragraph 6.2 of CUSC Section 15 seems a reasonable approach.

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9	Do you consider that if works are to be removed from the Attributable works cancellation charge (and therefore not securitised via the Attributable Works component of a Generator's potential cancellation charge), because they are designated as "Excepted", the definition of wider works cancellation charge should be altered so as to remove them from the wider works cancellation charge?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <p>In the absence of a review into the impact of designating Wider Works as "excepted," we don't believe it would be appropriate to support widening the designation based solely on the same approach being taken for Strategic Projects. Strategic Projects and Wider Works are not equivalent.</p>
10	Following on from Question 9, does this require a	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	different modification if so?	Any proposal to widen the definition to include Wider Works should be subject to a separate modification.
11	Is it important for this solution to be implemented in time for Gate 2 offers being issued? Please explain your rationale.	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If this solution is not implemented in time for Gate 2 offers being issued, then there will be significant rework required on all projects that later fall into the category covered by this modification.</p> <p>This can also impact on generators not progressing with their projects as there is uncertainty around what levels of security they would need to put up.</p>