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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 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 or cusc.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Calum Duff	
Company name:	Thistle Wind Partners	
Email address:	c.duff@twp.scot	
Phone number:	07756871654	
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 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.

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;

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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.

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	Mark the Objectives which you believe the Original solution better facilitates than the current baseline:
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	better facilitates the Applicable Objectives versus the current baseline?		
		Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
		<p>TWP broadly support the original proposal meets the intended objectives of removing the sometimes prohibitive security profiles from impacted generators. Therefore improving competition levelling the playing field, unburdening them from uncontrollable financial impacts.</p> <p>In addition it provides greater clarity to generators who find the current methodology challenging to decipher and still carries significant areas of grey when calculating the 'share' of liabilities applicable to each project. By removing these large assets that have complicated securitisation arrangements, alleviates this challenge.</p> <p>Greater clarity around the types of assets and designations would better facilitate understanding of the modification so it can be quantified by developers.</p>	
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<p>We generally support the proposed implementation approach and the strong impetus to align with the issuing of new Gate 2 offers in the autumn.</p> <p>However, we require further clarity on the timescales of the approach to cement investor confidence in the process and inform the development of necessary provisions in the event that timescales are delayed beyond the issuing of Gate 2 offers. Understanding it's interaction with the issue of the new offers as part of</p>	

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		the G2TWQ exercise and the following payment run would help clarify further.
3	Do you have any other comments?	Click or tap here to enter text.
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 Workgroup Consultation Section) <input checked="" type="checkbox"/> No Click or tap here to enter text.
5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>We note as part of the working group, there has been significant discussion around the specific definition of schemes that may form the suite of transmission works that may be under consideration. To that effect we appreciate the text is suitably open to address the fluid nature of the schemes such as ASTI, LOTI as the key examples and future schemes and mechanisms that may exist.</p> <p>We do believe that as a minimum an non-exhaustive list should be compiled as part of a guidance note/addendum to the CMP192 methodology note, or similar, that may be updated at a later date to reflect incoming schemes. The understanding is that works Identified would be those that would be intended to progress irrespective of changes in generator behaviours to best reflect system needs. In effect sheltering those projects associated with those works where there may be a level of “fluctuation” in the needs</p>

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		case and final requirements prior to construction that may impact securitised profile amounts.
6	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

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		As per question 5. Works that are identified to meet significant system needs.
8	Can you suggest an alternative approach to adjustment of the 'fix' of the Attributable	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We believe this needs greater clarification, the discussion around unfixing and re-fixing profiles is

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	Works to that in the Original Proposal?	confusing, and is reflective of an internal process only. This should perhaps be re-stated as works will be modified irrespective of the generator choice of fixed or variable and the generator will remain on their preferred profile following the change.
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?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>This requires further analysis to understand the impacts to the existing wider profiles. It is difficult to take a meaningful view without understanding the impact in full. In theory it would potentially be reflective of the greater system need, as the works identified could be considered as 'for the greater good' whereby all generators in a region may benefit from these assets being put in place. However, if these works are still underwritten by the government, this may still be considered as double counting and therefore not the correct pathway.</p>
10	Following on from Question 9, does this require a different modification if so?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Yes, to enable the CMP447 modification to proceed at pace however, it does lead to uncertainty as it will create a further unknown to generators who may</p>

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		appreciate the benefit of CMP447 but will be awaiting the outcomes of any future modification.
11	Is it important is it for this solution to be implemented in time for Gate 2 offers being issued? Please explain your rationale.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>For projects that are heading towards critical periods, post gate 2 offer issuing, it is important to understand all financial requirements. These security needs take significant time and energy to facilitate at significant Capital Cost to projects.</p>