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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:	Robin Prince	
Company name:	Island Green Power	
Email address:	Robin.prince@islandgp.com	
Phone number:	07899 438928	
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?	<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 type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input checked="" type="checkbox"/>None </td> </tr> <tr> <td>WACM1</td> <td> <input type="checkbox"/>i <input type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input checked="" type="checkbox"/>None </td> </tr> <tr> <td>WACM2</td> <td> <input checked="" type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> <tr> <td>WACM3</td> <td> <input checked="" type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> <tr> <td colspan="2">Click or tap here to enter text.</td> </tr> </table>	Original	<input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None	WACM1	<input type="checkbox"/> i <input type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input checked="" type="checkbox"/> None	WACM2	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None	WACM3	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None	Click or tap here to enter text.	
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WACM2	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None											
WACM3	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None											
Click or tap here to enter text.												
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 <input type="checkbox"/> Baseline										

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		<input type="checkbox"/> No preference
		<p>The need case for the code modification should be well established. However, to be clear we see the reason for this modification as necessary as a follow on from CMP428. This code mod was a first step to identifying reinforcement works to the NETS that will be going ahead irrespective of any (one or multiple) specific connection project(s).</p> <p>As CMP428 was tailored for reinforcements specifically related to the HND and subsequent Beyond 2030. The Code Mod was significantly biased towards offshore projects and only to areas of the network where the HND stated onshore reinforcements. It, therefore, it automatically created a skew towards anti-competitiveness, with onshore projects more likely to lose out.</p> <p>There are many more reinforcements across the whole the NETS that are similarly likely to go ahead and would be re-useable if one project, with the attributed work listed, were to fall away. CMP447 was, therefore, necessary to cover these</p>

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		<p>reinforcements to cover these projects and cover off the issues raised by CMP428.</p> <p>Another limiting factor of CMP428 was it did not create a clear and definitive list of reinforcement that were to be included as part of the code mod. The original solution for CMP447 continues down the ambiguity of which reinforcements included within in CMP447. This creates uncertainty within the market, which makes investors nervous.</p> <p>We, therefore, support this code mod only in the circumstance where it creates a definitive list of all the reinforcement woks to be included as part of CMP447 and there cannot be any chopping and changing of this list. If reinforcements are originally included on the list for CMP447 and then are subsequently removed from the list will create a picture of a volatile market scaring the majority of investment away from the industry.</p> <p>As a minimum the code mod should therefore, only be approved if WACM 2 is chosen. WACM 3 incorporates other changes aligning the process</p>
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		<p>to the CSNP, which seems like a sensible thing to align on.</p> <p>Whilst WACM 2 and 3 promote a list to be published. The publication dates as set out in the legal text currently seem not align well with the security round.</p> <p>MM statements are updated in January and July, where projects then have nearly 2 months to query anything on this before needing to secure for the coming period. It would, therefore, be advisable that the publications are published in line with the updates to the MM statements so that developers are able to assess the suitability of the MM statements and factor into the decision of being under Actual or Fixed securities.</p>
3	Do you support the proposed implementation approach?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>We support the urgency and the need to implement this code modification (if approved) within the Gate 2 offers to be produced as part of the G2WQ process in implementation of Connections Reform. However, we feel a</p>

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		<p>fundamental part of the implementation approach is missing.</p> <p>It is our belief that there may be a significant amount of projects that have needed to fix their securities due to schemes that should/are likely to be designated under CMP447. That is to say, if these schemes are removed from the security profile then it would reduce the Actual security profile significantly, to the point where projects are more expensive to develop in under Fixed securities. Therefore, projects that are unable to switch from Fixed to Actual (as part of a one time basis) will be at a disadvantage to those that were able to stay in Actual.</p> <p>The decision to stay Actual or move to Fixed securities is a complex one. However, one of the major considerations is how strong of a balance sheet the developer has. In essence a developer with a larger balance sheet may be able to withstand a much higher security profile and for longer than a medium or small developer. Therefore, creating a need for smaller developers to secure much earlier than larger ones.</p>
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		<p>If an opportunity is not given to allow these smaller developers to switch back to Actual securities, after Fixing out of necessity then such a significant change in profile, then this could easily be seen as significantly favouring larger developers that have larger balance sheets. This could be construed as anti-competitive.</p> <p>It should be noted that larger balance sheets do not necessarily relate to how likely a project is to be developed and delivered.</p>
4	Do you have any other comments?	<p>Click or tap here to enter text.</p>
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?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
		<p>No further comments</p>