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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:	Kirsty Dawson	
Company name:	Statkraft UK Ltd	
Email address:	Kirsty.Dawson@statkraft.com	
Phone number:	07442 604102	
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

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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 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 checked="" type="checkbox"/> iv <input type="checkbox"/> None
		Securities and liabilities that developers are subject to for transmission network reinforcements in particular, have been a barrier to entry for many, especially with the increase in size and cost of reinforcements driven initially by the ASTI framework. We see the implementation of this code mod as removing a significant barrier for all developers and promotes the investment needed to meet our climate targets.

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2	Do you have a preferred proposed solution?	<div> <input type="checkbox"/>Original <input type="checkbox"/>WACM1 <input type="checkbox"/>WACM2 <input checked="" type="checkbox"/>WACM3 <input type="checkbox"/>Baseline <input type="checkbox"/>No preference </div> <p>We believe that WACM3 is the most well rounded of the proposals, combining elements of WACM1 and WACM2, enhancing the effectiveness of CMP447 by providing more definition of 'Excepted Works' and thus providing more certainty and clarity to developers/investors.</p> <p>One thing which was mentioned in the workgroup but which we feel was not clearly captured, is that there could be a possibility for some network reinforcements to fall through the cracks. Main ones being those which are currently included in TO RIIO-T3 plans, yet to be formally signed off by Ofgem (a live example is the proposed rebuild of Dunoon GSP as part of SSEN Transmission's business plan). Though WACM3 adds obligations on NESO to submit designation requests to Ofgem, we feel this group of works needs thought about when choosing how we define 'Excepted Works'. We believe this could simply be captured by adding</p>
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		in 'TO/DNO business plans' into the 'Excepted Works' definition.
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We believe the most integral part of the implementation approach is that this must be approved and implemented prior to developers receiving gate 2 offers. Having this implemented prior to the issuing of gate 2 offers will mean that developers will be in much better shape to accept these, and not have the historical nature of securities and liabilities be a barrier in what will be a crucial time for industry. If this is not implemented prior to the issuing of gate 2 offers, we believe this will cause additional admin burden, and more importantly, create risk and uncertainty of meeting climate targets as pipeline will look more uncertain if developers cannot accept their gate 2 offers because of this.</p> <p>Following the announcement today (2nd October) of the revised connections reform timeline, the earliest indication of gate 2 offers being issued, is that gate 2 protected Transmission connected projects offers with 26/27 dates will be issued no later than end of</p>

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		Jan 2026. With this information we believe that implementation by end of November would be a 'safe' assumption, but possibly also implementation by end of 2025 would suffice.
4	Do you have any other comments?	Click or tap here to enter text.
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.