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Workgroup Consultation Response Proforma

CMP460: Improving Transmission Connection Asset Charging

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 **18 February 2026**. 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:	Jack Purchase	
Company name:	National Grid Electricity Distribution	
Email address:	jpurchase@nationalgrid.co.uk	
Phone number:	01209 616645	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input checked="" 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 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*)

☐ **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 (charging) Objectives are:

- d) *That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;*
- e) *That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C11 requirements of a connect and manage connection);*

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- f) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses and the ISOP business*;*
- g) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and*
- h) Promoting efficiency in the implementation and administration of the system charging methodology.*

** See Electricity System Operator Licence*

***The Electricity Regulation referred to in objective g) 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;*
- 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 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.

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Standard Workgroup Consultation questions				
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives versus the current baseline?	<p>Mark the Objectives which you believe the Original Solution better facilitates than the current baseline:</p> <table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>d <input type="checkbox"/>e <input type="checkbox"/>f <input type="checkbox"/>g <input type="checkbox"/>h <input checked="" type="checkbox"/>None</td> </tr> </table> <p>D – Negative. We believe this weakens competition.</p> <p>E – Negative. The proposal weakens cost reflectivity by removing locational signals. Socialisation leaves DUoS and TNUoS customers funding these reinforcement costs.</p> <p>F - Neutral.</p> <p>G – Neutral.</p> <p>H - Neutral.</p>	Original	<input type="checkbox"/> d <input type="checkbox"/> e <input type="checkbox"/> f <input type="checkbox"/> g <input type="checkbox"/> h <input checked="" type="checkbox"/> None
Original	<input type="checkbox"/> d <input type="checkbox"/> e <input type="checkbox"/> f <input type="checkbox"/> g <input type="checkbox"/> h <input checked="" type="checkbox"/> None			
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/>Yes</p> <p><input type="checkbox"/>No</p> <p>We are supportive of any implementation date that allows DNOs time to successfully deliver the change.</p>		
3	Do you have any other comments?	<p>We note that DCP461 (DCUSA mod) is proposing changes that aim to improve consistency in charging for transmission reinforcement for DNO customers.</p> <p>DCP464 is another modification looking at treatment of assets at a boundary between operators (LDNO/DNO). Given the Original Proposal for CMP460, we believe due consideration is needed for how this may impact the outcome of DCP464.</p>		
4	Do you wish to raise a Workgroup Consultation Alternative Request	<p><input type="checkbox"/>Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/>No</p>		

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	for the Workgroup to consider?	
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
		We agree that the modification does not impact EBR Article 18 terms and conditions.

Specific Workgroup Consultation questions

6	Do you agree with the Proposer's view on when the new definition of Infrastructure Assets and Connection Assets should be applied to new and existing connection agreements, and therefore amend the connection charges in a User's agreement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>The proposed definitions resolve some of the issues related to the pass through of transmission reinforcement costs to DNO customers providing greater consistency.</p> <p>We are concerned that the new definitions could be open to gaming by customers. Legal text will need to be written clearly to avoid ambiguity and to ensure consistent application.</p> <p>We are also concerned that a very large connecting customer could trigger costly reinforcement based upon the potential for a future connection. We think that an understanding of the methodology used by Ofgem when assessing needs cases for potentially significant reinforcement works if there is only one triggering party will be beneficial.</p>

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		<p>This would be at the expense of DUoS and TNUoS customers.</p> <p>When considering Applicability, we agree with category (1) and (2) that have been identified for retrospective application of CMP460.</p> <p>Regarding category (3) we think further clarity is needed:</p> <ol style="list-style-type: none"> 1. What is considered an allowable change to drive an update to CMP460 methodology? 2. Does this include connected projects requesting a change? 3. What happens for staged projects where 1 stage is connected but later stages have not?
7	Is moving the cost to Transmission Demand Residual (TDR) reasonable?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Our concern is that the loss of cost reflectivity could lead to an increased burden on connected embedded demand customers.</p> <p>We are also concerned that this method of socialisation will put additional cost on Demand Users only. This would mean that some of the existing disparities would remain.</p> <p>We also note the impact assessment work undertaken in Annex 5 of the consultation. The increases appear minimal, but we note that any additional cost adds further pressure to bill payers.</p>