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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](mailto: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](mailto:cusc.team@neso.energy)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Grahame Neale	
<b>Company name:</b>	Lightsource bp	
<b>Email address:</b>	<a href="mailto:Grahame.Neale@lightsourcebp.com">Grahame.Neale@lightsourcebp.com</a>	
<b>Phone number:</b>	07741 158820	
<b>Which best describes your organisation?</b>	<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 checked="" 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 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);
- 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.

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**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.

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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:		
		<table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>d <input type="checkbox"/>e <input checked="" type="checkbox"/>f <input type="checkbox"/>g <input checked="" type="checkbox"/>h <input type="checkbox"/>None</td> </tr> </table>	Original	<input checked="" type="checkbox"/> d <input type="checkbox"/> e <input checked="" type="checkbox"/> f <input type="checkbox"/> g <input checked="" type="checkbox"/> h <input type="checkbox"/> None
		Original	<input checked="" type="checkbox"/> d <input type="checkbox"/> e <input checked="" type="checkbox"/> f <input type="checkbox"/> g <input checked="" type="checkbox"/> h <input type="checkbox"/> None	
<p>We believe the proposal affects the Applicable CUSC Objectives (ACOs)</p> <p>d) Whilst we agree with the proposer's rationale, we believe the proposal is mixed in this regard (see question 3) but has the potential to be positive with subsequent industry changes.</p> <p>e) We agree with the proposer.</p> <p>f) We agree with the proposer.</p> <p>g) We agree with the proposer.</p> <p>h) We agree with the proposer.</p>				

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2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Yes, we agree with the proposed implementation approach of a decision in September 2026 to implement for the 27/28 charging year, however noting our comments in Question 3 below. Whilst it would be beneficial to have a decision on this proposal earlier allow Gate 2 offers to reflect the decision, we accept this may not be feasible.</p>
3	Do you have any other comments?	<p>Whilst we support the intent of this modification, both in terms of its objectives and solution, we do have concerns how it will be perceived more broadly and the “political appetite” for approving the proposal.</p> <p>We fully endorse making costs for Transmission Connection Assets clear and stable for connecting parties (especially embedded customers) and that this proposal will provide long-term benefits for consumers and Clean Power 2030 delivery. However, we believe this proposal is only part of a broader range of changes needed and by itself may not pass the regulatory hurdles required for approval.</p> <p>Without broader changes to the applicability of TNUoS, which we expect will be considered</p>

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		<p>alongside Reformed National Pricing, this proposal will provide a benefit to embedded generators at the expense of demand customers – as shown in Annex 5. We believe the proposal will not practically affect the wholesale electricity price meaning the additional cost to demand customers will not be offset (as this value will for example be extracted when a project is traded). Given the current political narrative (cost of living ‘doing business’ increasing etc), we believe this would be unappealing to Authority without more evidence to justify the change in isolation or with other supporting industry changes.</p> <p>Whilst subsequent changes will be possible, we believe it is unlikely the regulator would approve a proposal seeking ‘imminent’ implementation and no certainty other proposals with manage any perceived defect this proposal may introduce.</p>
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes (the request form can be found in the <a href="#">Workgroup Consultation</a> Section)</p> <p><input checked="" type="checkbox"/> No</p> <p>Whilst we believe an alternative based around Option 3 may mitigate some of the concerns of the proposal, we are not in a position to further develop a solution based on Option 3 at this time.</p>

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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
		Yes, we agree with the workgroup's assessment regarding EBR.

## 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	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
		<p>We believe the key consideration on applying this proposal to projects (regardless of project's status) is that the implementation approach is well defined, we believe the proposal is mostly clear in this regard. We believe the following clarifications would be helpful.</p> <ul style="list-style-type: none"> <li>Confirming the specific 'cut off' condition for determining the range of applicable projects. For example, is it projects not commissioned by Ofgem's decision date or 1<sup>st</sup> April 2027.</li> </ul>

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	charges in a User's agreement?	<ul style="list-style-type: none"> <li>Clarify how the proposal will be implemented for existing (connected) projects that are subject to replacement of their connection assets (e.g. due to age, condition, reinforcement etc).</li> </ul>
7	Is moving the cost to Transmission Demand Residual (TDR) reasonable?	<div> <input type="checkbox"/> Yes           <input type="checkbox"/> No         </div> <p>We cannot provide a view of whether this cost transfer to the TDR is 'reasonable' as we would benefit from this proposal and so 'any' amount would be reasonable. From an independent perspective, we can see how it would be challenging politically for the public to pay more (regardless of the value) to benefit (mostly) generators. This is why we strongly believe that, whilst this proposal is beneficial, it should be considered alongside broader changes to the charging methodology to ensure that any transfer of costs is considered reasonable on balance.</p>