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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:	Joe Colebrook	
Company name:	Innova	
Email address:	joe@innova.co.uk	
Phone number:	020 3523 9560	
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 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:
		Original <input checked="" type="checkbox"/> d <input type="checkbox"/> e <input type="checkbox"/> f <input type="checkbox"/> g <input checked="" type="checkbox"/> h <input type="checkbox"/> None
		Positive against Objective d). The proposal would align the charging incentive between distribution and transmission. If Demand or generation chooses to connect to the transmission network or the distribution network, and the assets can be shared by Users, it does not have to pay up front for the Transmission Owned Assets it has triggered. The proposal reduces financial risk, improves transparency, allowing more customers to connect to the electricity network, and connection costs will be more equitable. This will increase competition.

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		<p>Neutral against Objective e). The proposal could reduce the cost reflectivity as the local substation charges element of TNUoS are not directly related to the value of the Connection Assets at a GSP. A follow-on modification could correct this. However, is it fundamentally difficult to separate the cost associated with Demand and the cost associated with generation, as Connection Assets can create capacity for both embedded generation and embedded Demand. This is especially true for distribution networks or private networks where the demand and generation offset each other and reduce the need for Transmission Assets.</p> <p>Neutral against Objective f). This proposal provides a long term solution for TOs to pass on costs that are triggered by connecting customers. The proposal helps reduce the risk of inefficient investment by TOs. The proposal could remove the cost signals that incentivise smart solutions instead of network reinforcement e.g. Active Network Management. However, the time signal i.e. longer connection dates, should still be an incentive to implement smart solutions. NESO and Ofgem can also incentivise networks to implement smart solutions using connection agreements and business plan determinations.</p> <p>Neutral against objective g). The proposal does not have an impact or dependency on the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</p>
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		Positive against Objective h). The proposal provides clarity on the framework for Transmission Reinforcement cost recovery and ensures all customers are treated equitably. Reduced ambiguity should reduce administrative complexity and improve the efficiency of the CUSC. The proposal is straightforward to implement. The process to calculate Connection Asset charges will be easy to understand and implement.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I support the approach outlined in the Workgroup Report.
3	Do you have any other comments?	None.
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 N/A
5	Do you agree with the Workgroup's assessment that the modification	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	No further comment.
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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		I agree with the proposers view as outlined in the Workgroup report.
7	Is moving the cost to Transmission	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	<p>Demand Residual (TDR) reasonable?</p>	<p>Yes. The impact assessment suggests that the increase in the TDR would be relatively small and this would be a reasonable trade off for the investment certainty and equity of connection costs that CMP460 would deliver. If CMP460 causes an increase in embedded renewable generation, this should reduce the need for wider transmission works and reduce the wholesale cost of energy as we become less reliant on high-cost fossil fuel generation. Some of the cost is being transferred from distribution network charges to transmission network charges and will therefore not impact consumer bills.</p>
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