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Workgroup Consultation Response Proforma

CMP417: Extending principles of CUSC Section 15 to all Users

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 **06 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:	Tim Ellingham	
Company name:	RWE	
Email address:	Tim.ellingham@rwe.com	
Phone number:		
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 (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, 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;

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- 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.

Standard Workgroup Consultation questions

1	Do you believe that the Original Proposal and/or any potential alternatives better	Mark the Objectives which you believe original Solution better facilitates than the current baseline:	
		Original	<input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None

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	facilitate the Applicable Objectives versus the current baseline?	As far as competition for connections goes, this will level the playing field between Demand and Generation where currently Demand is at a great disadvantage. Will also simplify the securities process as it will largely look the same as Generation, though there will be initially more work to put into work out the scaling factors.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Though a think a more defined handling of existing, non-demand capacity listed, sites/agreements may be required. Linked to Week 24 possibly?
3	Do you have any other comments?	I have a concern that this modification possibly does not go far enough and that the Demand Capacity figure should become analogous to TEC and result in a charging mod. Is there a risk that this subject will have to be revisited as the demand queue grows leading to a formal introduction of TIC Transmission Import Capacity? I understand the time issue faced currently and hence this solution, which we overall agree with, but it is probably worth evolving the solution in the future.
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 Click or tap here to enter text.

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5	Does the draft legal text satisfy the intent of the modification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No On the whole yes, a robust look at how existing sites are handled would be wise.
6	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.

Specific Workgroup Consultation questions

7	Do you support the inclusion of wider cancellation liability for Demand projects? (please provide details in your response)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No This may require more thought as it gravitates towards a charging element akin to a zonal TEC calculation. Works may well go beyond the MITS node, but how does demand feature in the calculation of the Wider Cancellation zonal unit charge amount? More clarity around the Total and Wider Capex figures may be useful in the workgroup report to address the risk of
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		double counting (an issue that is already a concern in generation).
8	Do any parts of the solution require additional clarification?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <hr/> <p>It still feels that a fuller illustration of how the Wider zonal amount accounts for demand and generation works would be useful. Should constraint boundaries be the same for demand as generation?</p>
9	Is it clear how the Demand Capacity figure should be calculated and provided to NESO?	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No <hr/> <p>It is clear for new projects, but not so clear for existing and Mod Apps. Should there be a mandated round up of existing demand levels? Is this a process that would be wise for the NESO to undertake regardless of this mod, and could the Week 24 submissions be used as a default where connection agreements do not have an existing demand number in them?</p>

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		<p>It feels like there should be a more automated default for demand capacity for sites with no current figure. The 'or as agreed between NESO and the User' may cover this, but this seems a less robust. Without this agreement there could be a scenario where an party are charged cancellation on a capacity figure which already catered for a portion of that MW figure.</p> <p>The definition also seems to have a typo:</p> <p>Where none of these are available, the Demand Capacity will either as requested in the Connection Application, or as agreed between NESO and the User</p> <p>Should this be 'the Demand Capacity will either be as requested'</p>
10	Do you believe any projects could be adversely impacted by this proposal?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <hr/> <p>It's not an impossibility, but hard to think of a downside assuming Wider Cancellation charges are less than the Final Sums currently being faced by a project.</p>
11	Do you agree with the proposal to have one security statement for hybrid sites (combined generation and demand), and do you	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <hr/> <p>It may be better to have separate columns for DC/TEC/Developer as it will illustrate which value is dominating the calculation as there could be a turn down of one of these figures in the future, leading to a switch of the dominating value. This will not change the</p>

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	see this posing any potential issues?	<p>accuracy of a cancellation calculation but will be more transparent to someone new looking at it.</p> <p>One statement is a good idea as it provides all info in one place.</p>
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