

CMP470: Introducing an Oversubscribed Technologies Commitment Fee

Workgroup Meeting 15

Wednesday 10 June 10am - 4pm

Online Meeting via Teams

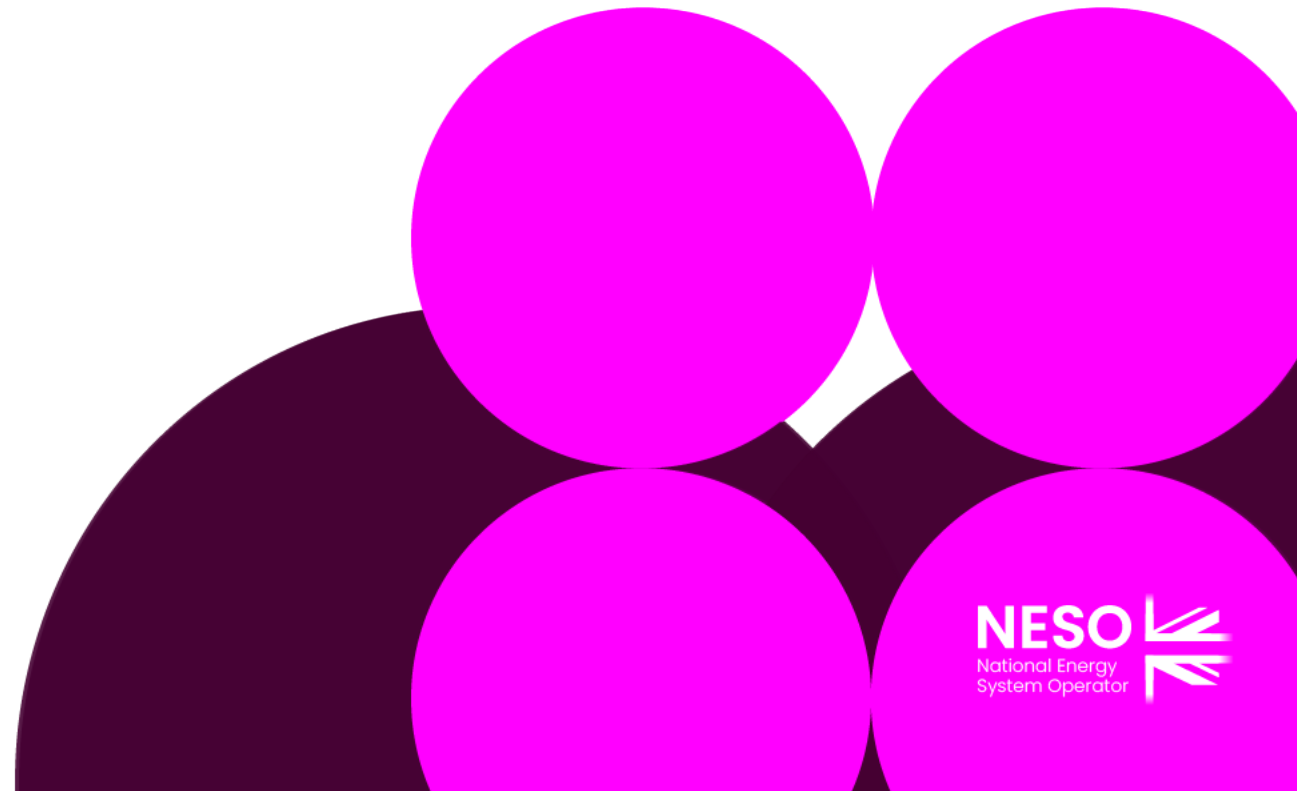
WELCOME

Agenda

Topics to be discussed	Lead
Workgroup Responsibilities and Membership	Chair
Timeline	Chair
Battery projects – Proposers Analysis	Proposer
Finalise Original and WACM Legal Text	All
Finalise Workgroup Report	All
Agree Terms of Reference Met	All
Review Action Log	Chair
Workgroup Vote	Chair
Any Other Business and Next Steps	Chair

Workgroup Responsibilities and Membership

Claire Goult – NESO Code Administrator



Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared – Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

Workgroup Membership

Role	Name	Company	Industry Sector
Proposer	Andrew Enzor	Field Energy	Battery Storage
Workgroup Member	Ahmed Dabb	Aura Power	Generator
Workgroup Member	Andrew Dudkowsky	NESO	National Energy System Operator
Workgroup Member	Alex Ikonic	Roadnight Taylor	Specialist Consultant
Workgroup Member	Andrew Yates	Statkraft	Generator
Workgroup Member	Charles Deacon	Eclipse Power Networks	Network Operator
Workgroup Member	Charles Saywell	Apatura Energy	Developer
Workgroup Member	Charlie von Schmieder	Gresham House	Battery Storage Owner/Developer
Workgroup Member	Chris Terry	Fidra Energy	Generator
Workgroup Member	Ciaran Fitzgerald	ScottishPower Renewables	Generator
Workgroup Member	Claire Hynes	RWE	Generator
Workgroup Member	Dennis Gowland	Research Relay Ltd	Other
Workgroup Member	Gareth Williams	Scottish Power Transmission	Onshore Transmission Licensee
Workgroup Member	Garth Graham	SSE Generation	Generator
Workgroup Member	Gary Camplejohn	Harmony Energy Ltd	Generator

Role	Name	Company	Industry Sector
Workgroup Member	George Radcliffe	Ecoenergy	Generator
Workgroup Member	Grahame Neale	LightsourceBP	Generator
Workgroup Member	Grant Rogers	Q Energy	Developer
Workgroup Member	Helen Stack	Centrica	Generator
Workgroup Member	Henry McDonald	Voltwise Power Holdings Limited	Other
Workgroup Member	Joe Colebrook	Innova	Generator
Workgroup Member	Julia McGee	Orsted	Generator
Workgroup Member	Kimbrah Hiorns	EDF Power Solutions	Generator
Workgroup Member	Kyran Hanks	Waters Wye	Other
Workgroup Member	Lamin Saidy	Qair UK	Generator
Workgroup Member	Lee Wilkinson	On Path Energy	Generator
Workgroup Member	Matthew Paige-Stimson	NGET	Transmission Owner
Workgroup Member	Mithun Suresh	MASDAR	Investor/Developer
Workgroup Member	Navdeep Singh Gora	Northern Powergrid	Network Operator
Workgroup Member	Nik Froud	Greentech Projects Holding UK Ltd	Developer
Workgroup Member	Ollie Easterbrook	National Grid Electricity Distribution plc	Onshore Transmission Licensee
Workgroup Member	Paul Youngman	Drax	Generator

Workgroup Membership

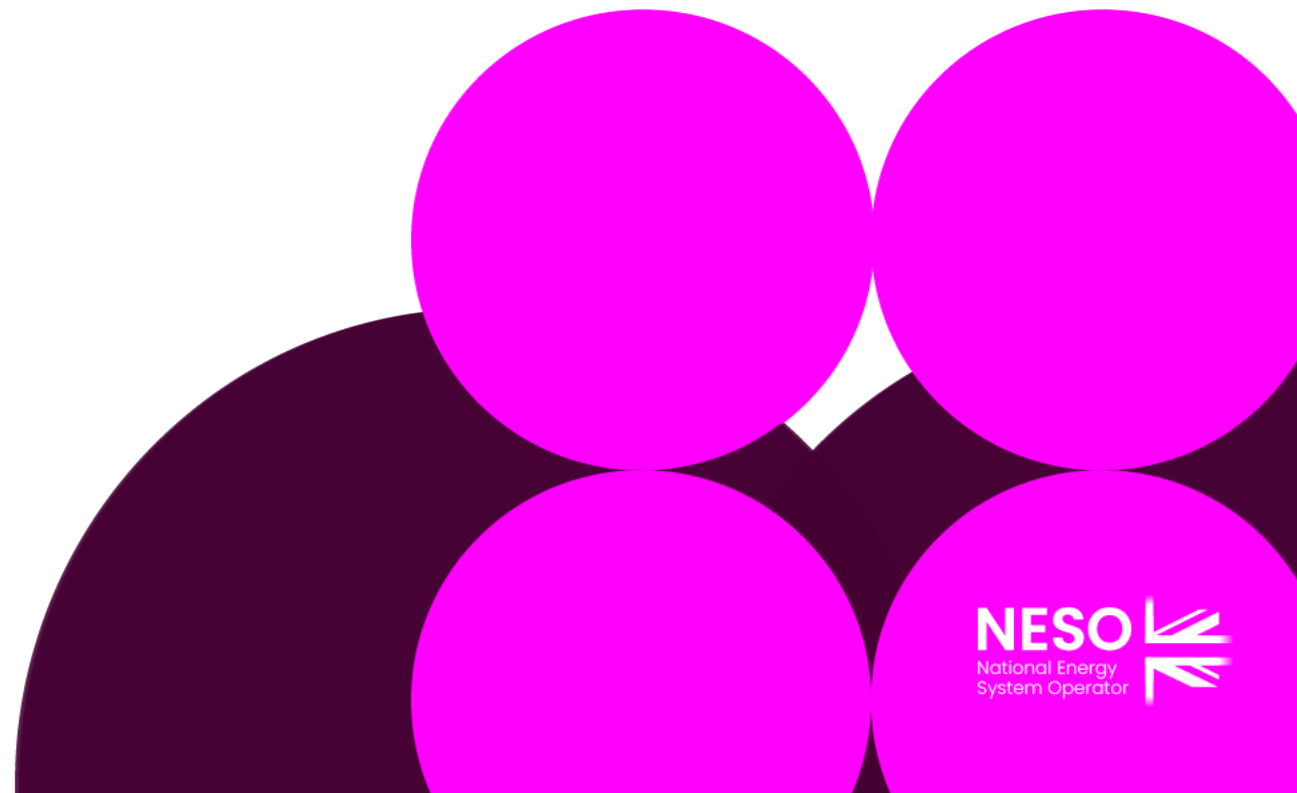
Role	Name	Company	Industry Sector
Workgroup Member	Philip Pateman	Aukera energy	Generator
Workgroup Member	Philip Patrick	Firstway energy	Bess Developer
Workgroup Member	Ravinder Shan	FRV Powertek Limited	Generator
Workgroup Member	Robin Dunne	InterGen	Generator
Workgroup Member	Rob Smith	ENSO Green Holdings Limited (EGHL)	Generator
Workgroup Member	Ross O Hare	SSEN	Network Operator
Workgroup Member	Ross Wolhuter	Eden Renewables	Developer
Workgroup Member	Sam Aitchison	Island Green Power	Generator
Workgroup Member	Sarah Lightfoot	Root-Power	Generator
Workgroup Member	Simon Wragg	Ethos Green Energy Solutions Ltd	Developer
Workgroup Member	Tom Palmer	Zenobe	Generator
Observer	Andrew Willis	Kona Energy	Generator
Observer	Barney Smeaton	Immersa	Developer
Observer	Hannah Stanley	Regen	Developer
Observer	Hazel Starmer-Jones	BW ESS	Developer

Workgroup Membership

Role	Name	Company	Industry Sector
Observer	Kim Dawson	SPEN	Network Operator
Observer	Mark Lawrence	Conrad Energy	Generator
Observer	Olly Frankland	Electricity Storage Network	Industry Body
Observer	Bethany Garry	DESNZ	Government Observer
Authority Rep	Shabana Akhtar	Ofgem	Authority Representative

Timeline

Claire Goult – NESO Code Administrator



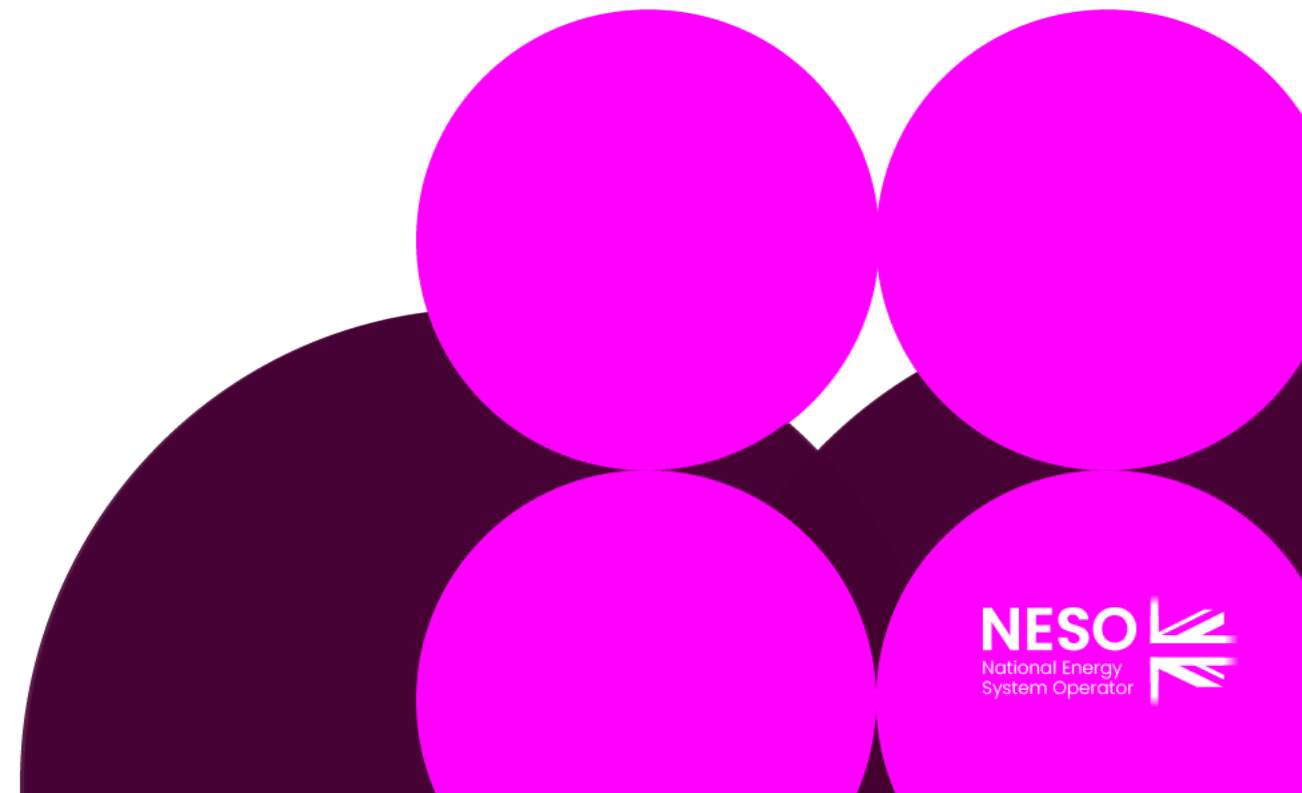
Urgent Timeline proposed changes

Requested two- week extension

Workgroups		
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Workgroup 8	19 May 2026	Discuss solutions & Legal text/ Alternative Vote
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Post Workgroups		
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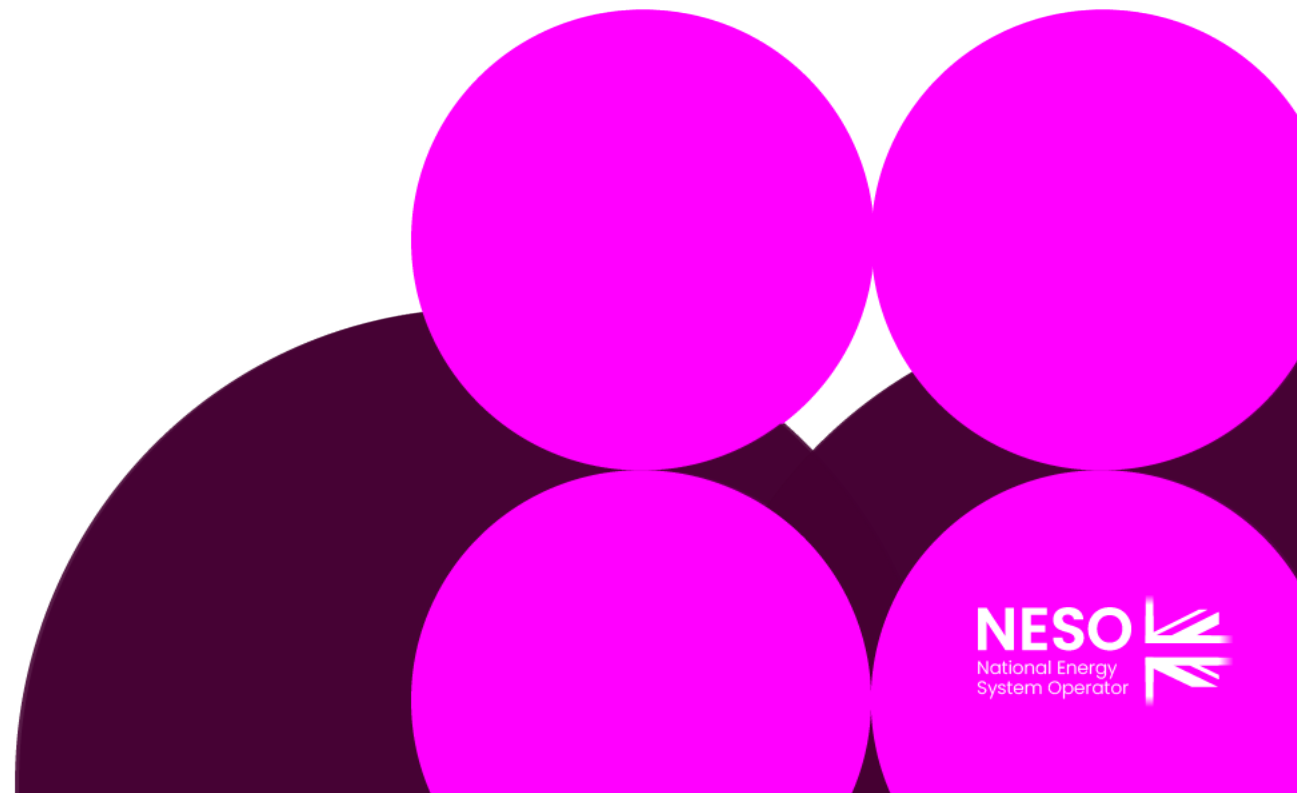
Battery Projects – Proposer's Analysis

Proposer/All



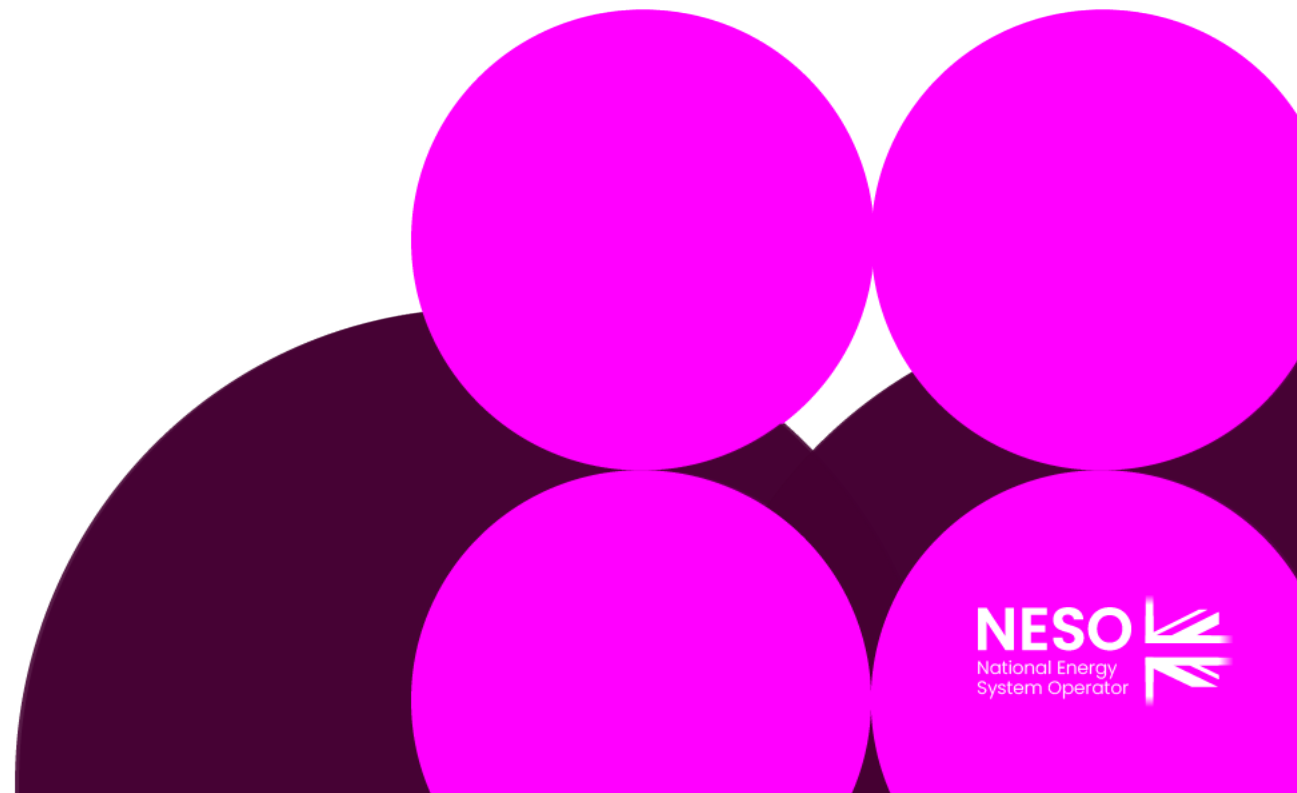
Finalise Original and WACM Legal Text

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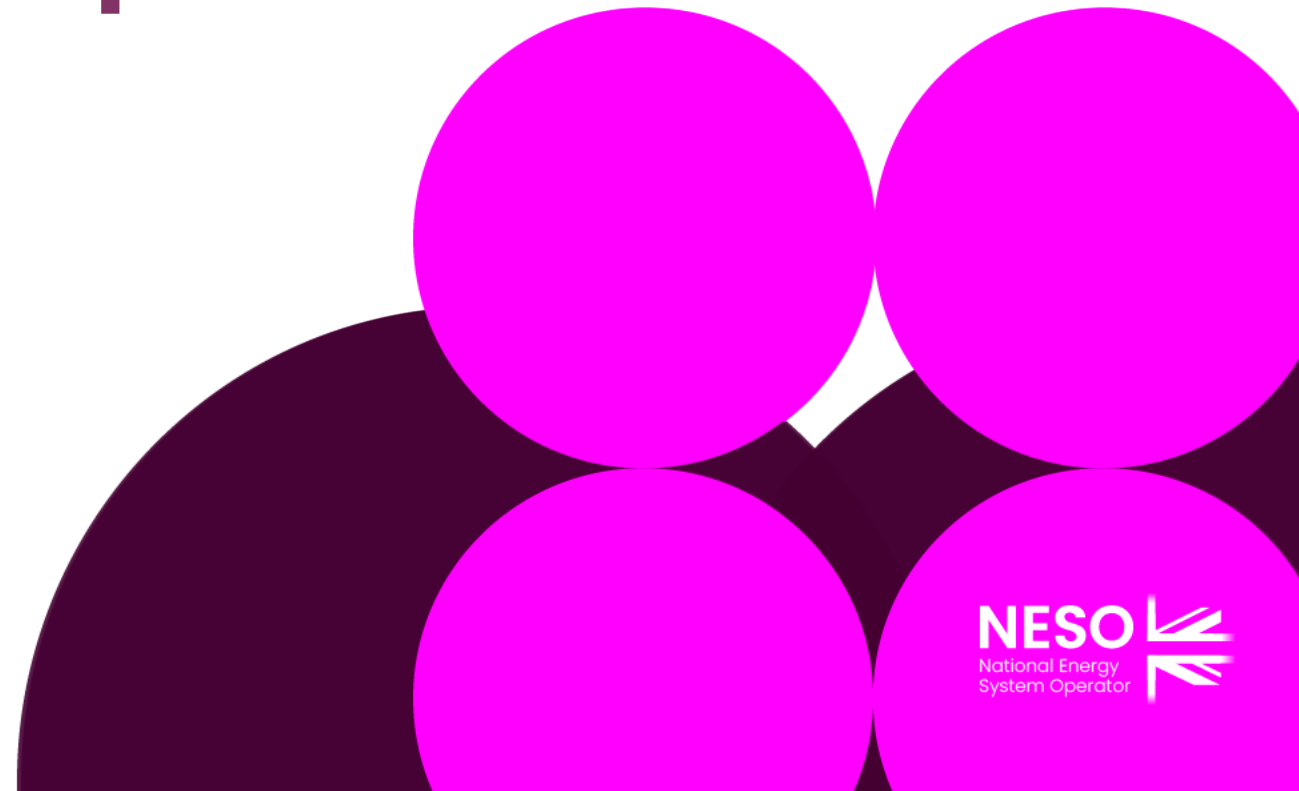
Ofgem Question

Shabana Akhtar



Finalise Workgroup Report

ALL



Agree Terms of Reference Met

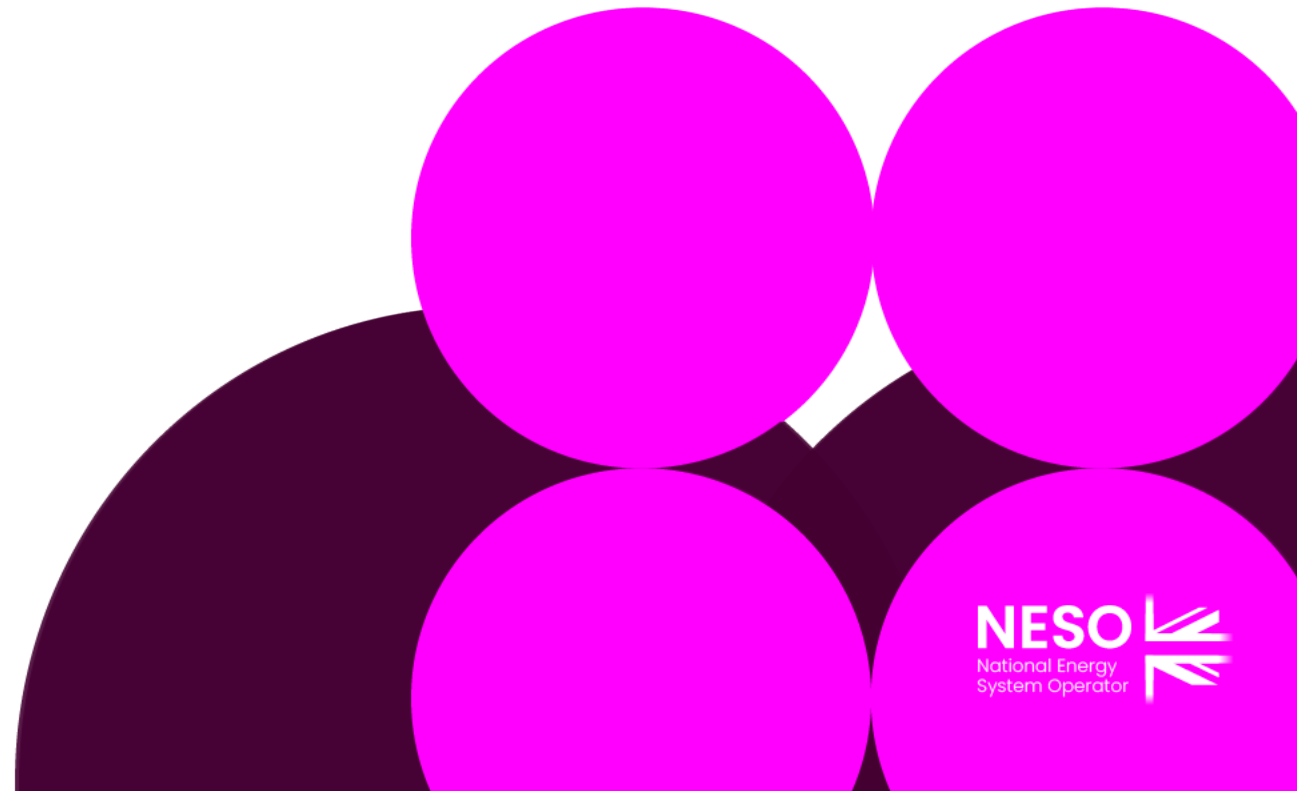
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Terms of Reference

- | |
|---|
| a) Consider EBR implications. |
| b) Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter. |
| c) Consider how the de-activation process would work |
| d) Consider to whom any funds arising would be paid to, and how, if the OTCF was realised (for relevant projects). |
| e) Consider how the co-location process would be applied where one technology is oversubscribed and the other not. |
| f) Consider how the co-location process would be applied where both technologies are oversubscribed, but one technology was ahead of the other (so the £/MW level is at a different quantum). |
| g) Consider whether the targeted fee facilitates competition by assessing to what extent overall project viability (and hence cost of risk of incurring the fee) is related to economic competitiveness should a project become viable. |
| h) Consider whether the increased costs to Generators will be offset by the benefits in network planning resulting in a net benefit. |
| i) Consider whether the solution/s will bring the connection queue closer to the strategic capacity set out in CP30. |

Review Action Log

Claire Goult – NESO Code Administrator

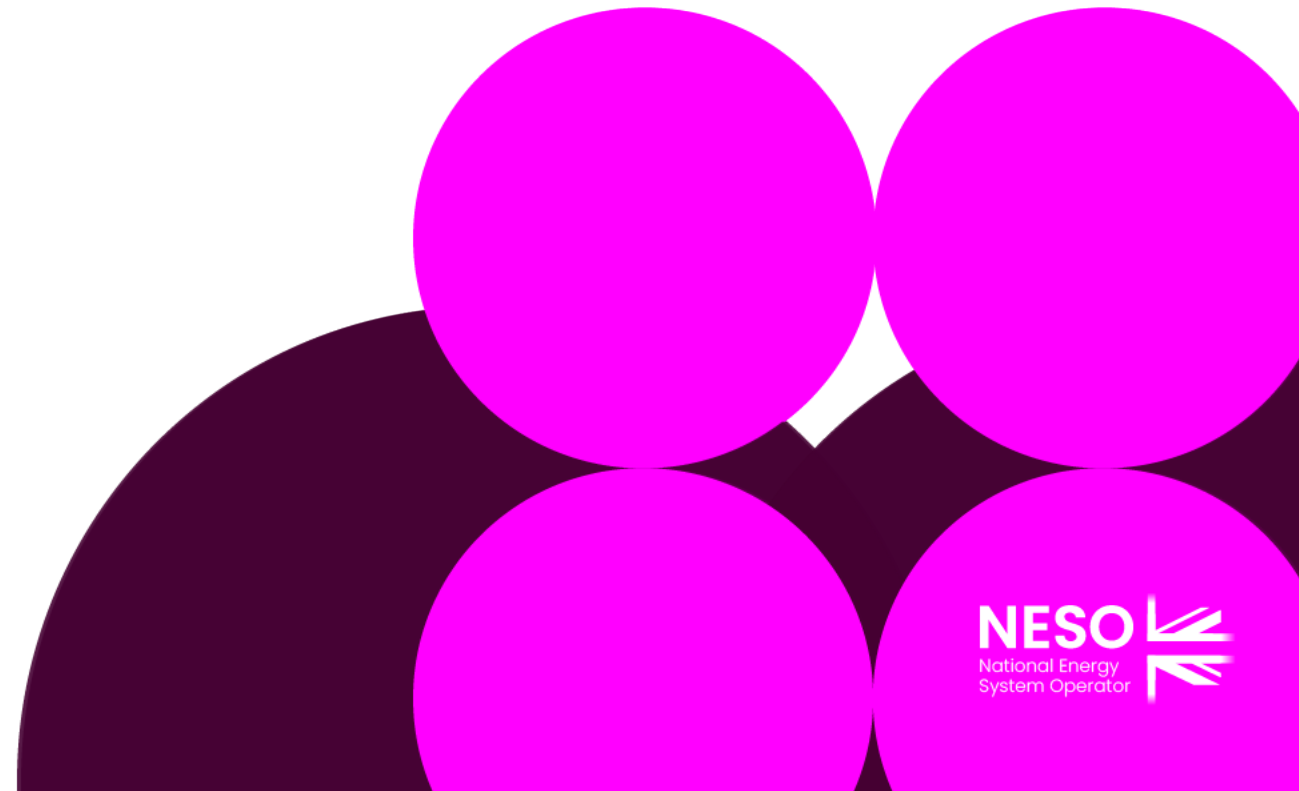


CMP470 Actions Review

Action Number	Workgroup Raised	Owner	Action	Due by	Status	Latest
40	WG8	Workgroup members	Review the draft Workgroup Report, focusing on whether all Terms of Reference (especially F, H, and I) have been adequately considered and provide feedback or additional evidence as needed	WG15	Open	Terms of Reference table to be updated in the report.
41	WG13	NESO SMEs	Explain why Action 32 Data cannot be provided for the Workgroup report (DG)	WG15	Open	Some wording has been added but further detail and explanation required in report

Workgroup Vote

Claire Gault – NESO Code Administrator



Can I vote? And What is the Workgroup Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference)

Stage 2 – Workgroup Vote

- 2a) Assess the original and Workgroup Alternative (if there are any) against the relevant Applicable Objectives compared to the baseline (the current code)
- 2b) Vote on which of the options is best.

Alternate Requests cannot be raised after the Stage 2 – Workgroup Vote

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

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

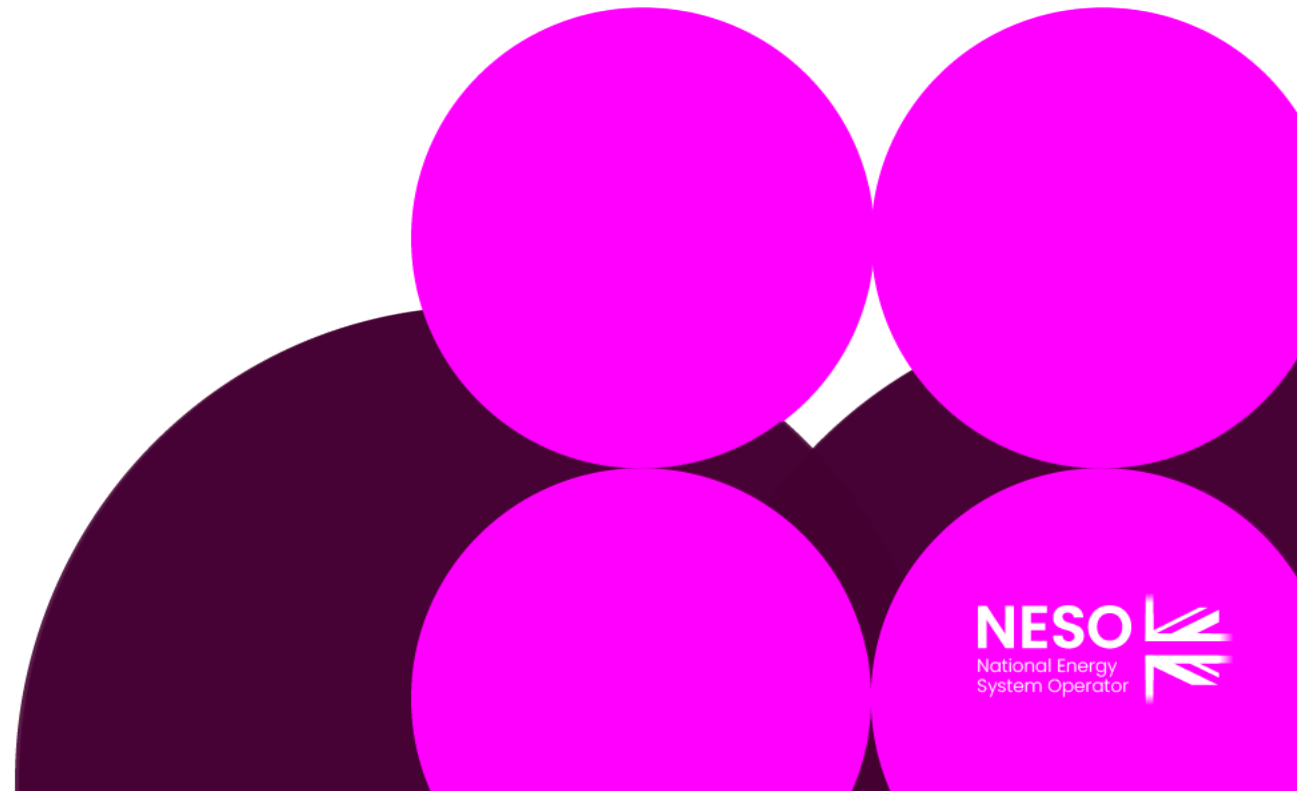
**The Electricity Regulation referred to in objective (iii) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

Workgroup Member	Better facilitates ACO (i)	Better facilitates ACO (ii)	Better facilitates ACO (iii)	Better facilitates ACO (iv)	Overall (Y/N)
	John Smith – Energy For You				
Original	y	-	-	y	y
WACM1	n	n	n	-	n
WACM2	n	-	y	y	y
WACM3	y	-	n	n	n
WACM4	n	-	-	n	n
WACM5	n	-	-	-	n
Voting Statement:					
I believe the Original and WACM2 are better than the Baseline because.....					

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
John Smith	Energy For You	Battery Storage	Original	(i), (iv)
Jane Bloggs	Solar Energy Ltd	Developer	Baseline	N/A
Jack White	Clean Power	Generator	WACM3	(i), (ii), (iii)

Summary of CMP470 Options to support the Workgroup Vote

Claire Goult – NESO Code Administrator

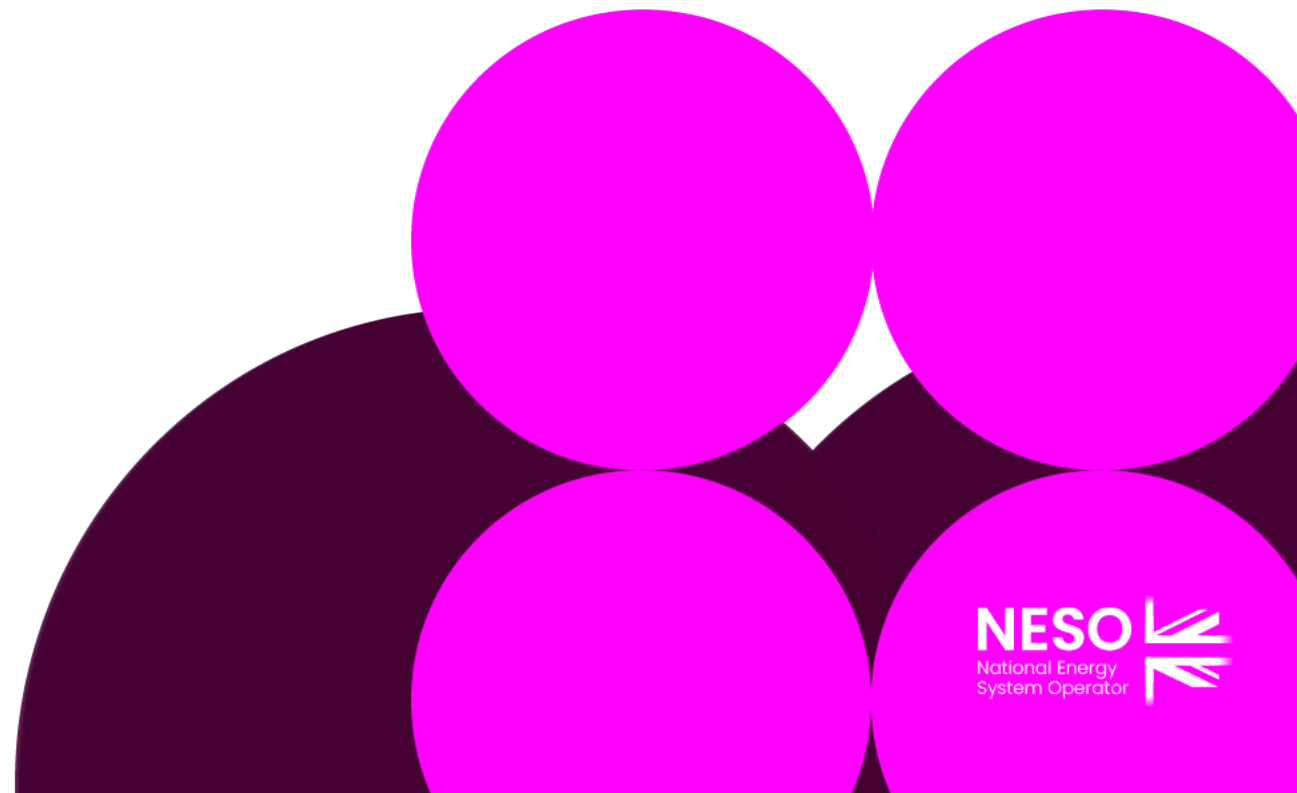


Option	Summary
Original Introducing an OTCF	Seeks to introduce a floor on securities through an Oversubscribed Technologies Commitment Fee for all technologies which are oversubscribed relative to Clean Power 2030 capacity targets.
WACM1 OTCF Cap and Floor	Seeks to cap the Oversubscribed Technology Commitment Fee (OTCF) at the maximum value equal to the maximum-security liability that a project would be liable to pay under its existing security profile. All other aspects of the Original proposal would remain the same.
WACM2 Disapplication when all Queue Management Milestones are met	Seeks to disapply the OTCF to projects where they have met all Queue Management Milestones

Option	Summary
WACM3 Liabilities Floor	<ol style="list-style-type: none"> 1. The OTCF commences at a value of £2000/MW with increments of £2000/MW at each 6 monthly charging blocks, capped at a total of £8000/MW 2. The OTCF value is a floor on the project liabilities (securities are calculated from the liabilities value as per the existing CUSC methodology) 3. The OTCF is disapplied when all Queue Management Milestones have been met
WACM4 Include co-located and staged projects within scope	<p>The only change to the CMP470 proposal is co-located and staged projects of oversubscribed technologies remain liable for the OTCF regardless of whether the second and subsequent connection has no attributable works or connection costs.</p>
WACM5 Two-Stage OTCF	<p>This Alternative Request proposes:</p> <ol style="list-style-type: none"> 1. a two-stage Oversubscribed Technologies Commitment Fee (OTCF) structure based on the project connection date, with a lower far-term OTCF rate for pre Trigger Date 2. a cap preventing the OTCF from exceeding the project's maximum Cancellation Charge Secured Amount at each biannual securities statement. 3. The OTCF is disapplied when all Queue Management Milestones have been met

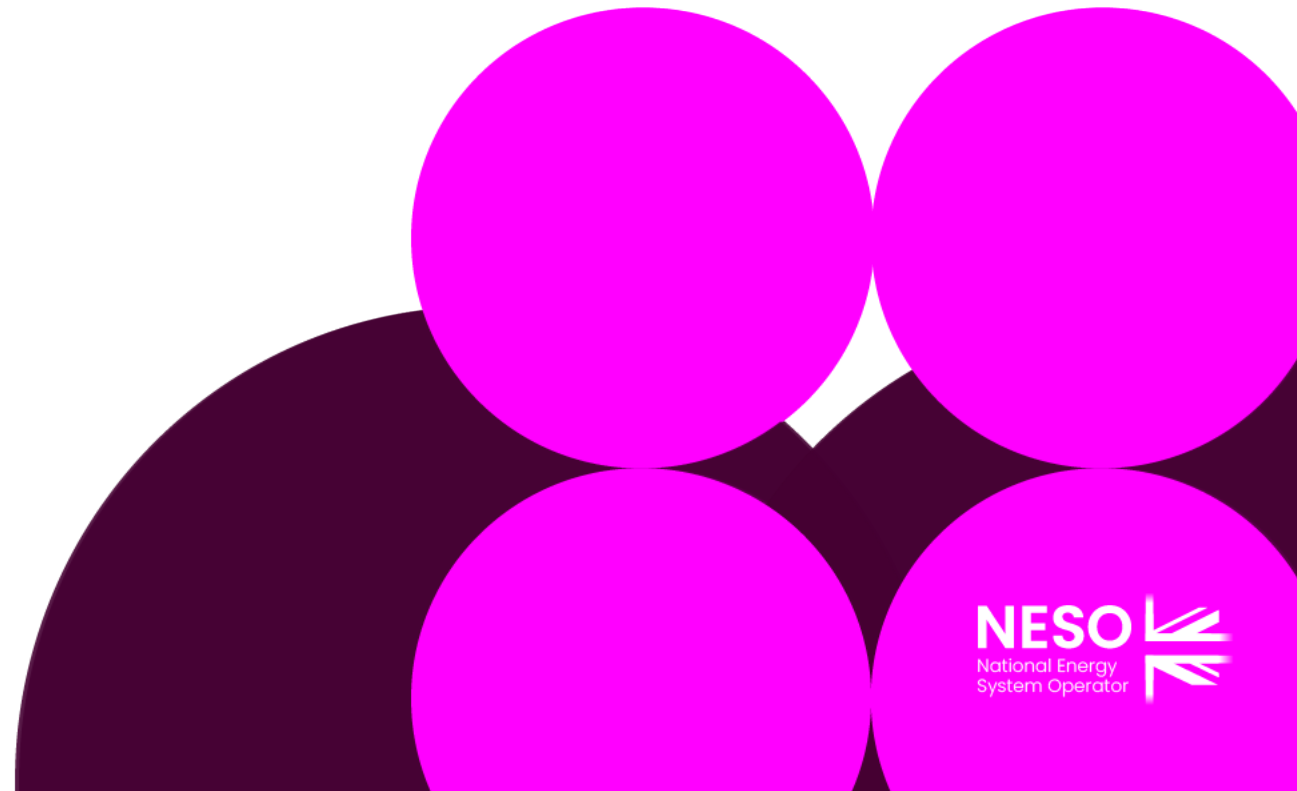
Any Other Business

Claire Goult – NESO Code Administrator



Next Steps

Claire Goult – NESO Code Administrator

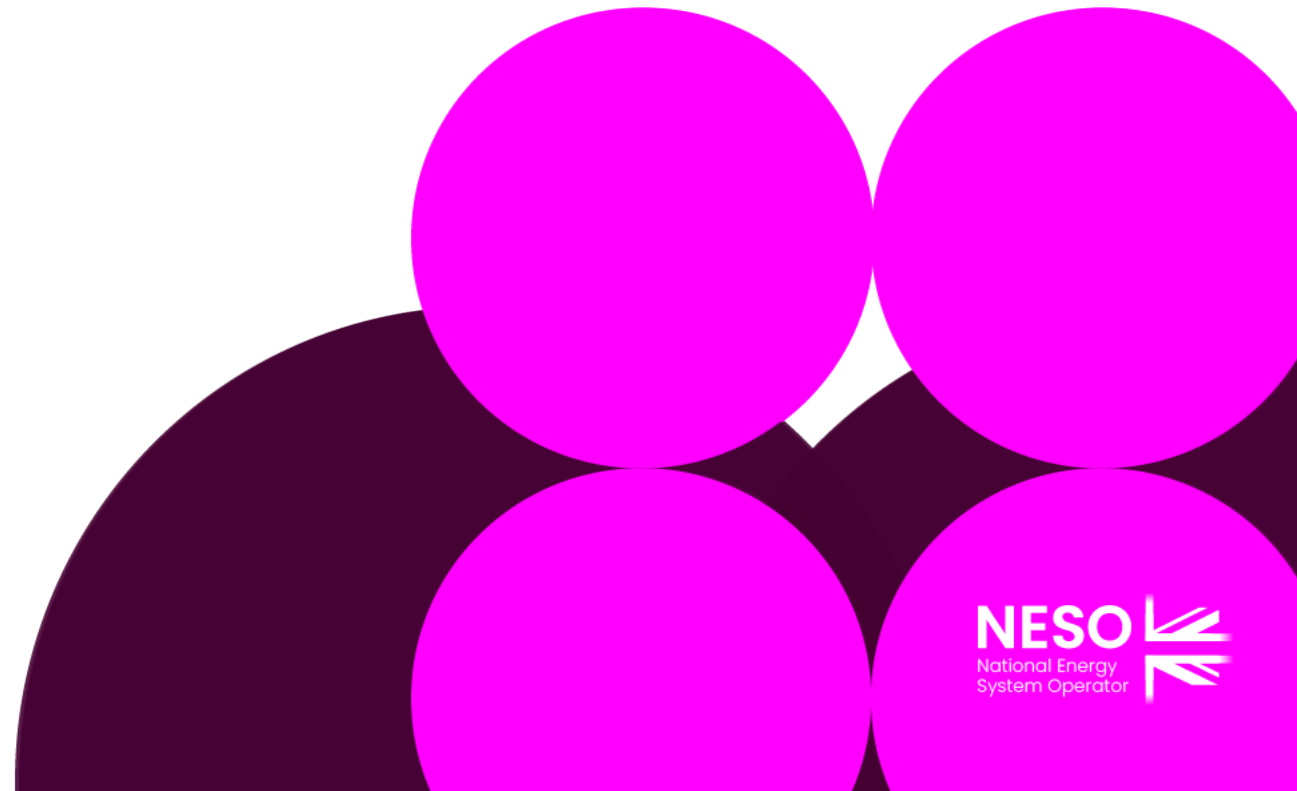


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Appendix



Alternative Requests and Workgroup Membership

Clarification on TO Workgroup Membership following liaison with Ofgem

CUSC 8.20.3 states that:

*A Workgroup shall comprise at least five (5) persons (who may be Panel Members) selected by the CUSC Modifications Panel from those nominated by CUSC Parties, BSC Parties, the Citizens Advice or the Citizens Advice Scotland for their relevant experience and/or expertise in the areas forming the subject-matter of the CUSC Modification Proposal(s) to be considered by such Workgroup (and the CUSC Modifications Panel shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such Workgroup) provided that there shall always be at least one member representing The Company and the CUSC Modifications Panel is of the view that if and only if a CUSC Modification Proposal is likely to have an impact on the **STC, the CUSC Modifications Panel may invite the STC committee to appoint a representative to become a member of the Workgroup.** A representative of the Authority may attend any meeting of a Workgroup as an observer and may speak at such meeting.*

Nomination of non-Schedule 1 organisations

- As NESO is a Party to both the CUSC (as the counterparty to Schedule 1 Users) and the BSC, **it is permissible for NESO to nominate TOs as a Workgroup member** if they have **relevant experience for a modification**. TO's must request this from NESO ahead of workgroups.
- TOs may also wish to seek a **nomination from the STC Panel**, ask to be designated as a **Materially Affected Party by Ofgem**, or to participate in this Workgroup as an **Observer**.
- TO members may be part of the CMP470 modification as workgroup members due to their relevant expertise in the connections space.

Alternative Requests

- 8.20.16 Any CUSC Party, BSC Party, the Citizens Advice or the Citizens Advice Scotland may (subject to Paragraph 8.20.20) raise a Workgroup Consultation Alternative Request in response to the Workgroup Consultation.
- TOs, **regardless of Workgroup member status, cannot raise an alternative as they are not a CUSC/BSC Party**, but other Workgroup members may wish to raise any ideas expressed by a TO as an alternative following workgroup discussion.