

Public

Code Administrator Consultation Response Proforma

CMP469: GC0186 Cost Recovery mechanism for CUSC Parties

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 cust.team@neso.energy by **5pm** on **19 May 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 cust.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Garth Graham	
Company name:	SSE Generation	
Email address:	Garth.graham@sse.com	
Phone number:	01748 456000	
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 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)	<input checked="" type="checkbox"/> Non-Confidential (<i>this <u>will be shared</u> with industry and the Panel for further consideration</i>)
--------------------------------	---

Public

	<input type="checkbox"/> Confidential (this will be disclosed to the Authority in full but, unless specified, <u>will not be shared</u> 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, (for consultation questions 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;

Public

- 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.

Standard Code Administrator Consultation questions

Public

1	Please provide your assessment for the proposed solution against the Applicable Objectives against the current baseline.	<p>Mark the Objectives which you believe the proposed solution better facilitates than the current baseline:</p> <table border="1"> <tr> <td data-bbox="628 499 868 616">Original</td><td data-bbox="868 499 1417 616"> <input checked="" type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input type="checkbox"/>iv <input type="checkbox"/>None </td></tr> </table> <p>As the Proposer we have set out our assessment of this proposal against the Applicable CUSC Objectives and therefore, for the sake of brevity, we avoid repeating what we have already set out in the Proposal form itself.</p>	Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> None
Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input 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>Click or tap here to enter text.</p>		
3	Do you have any other comments?	<p>In light of the changes that are emerging (and, over the coming months, may emerge) from GC0186 (such as generator ‘cold start’ etc.,) and the recent developments of the NESO’s Secondary Generator Guidance Note it will be difficult for secondary generators to be able to complete the submission of their claims, for ESRS relevant costs, within the original timeframe (31st December 2026).</p> <p>This is because the landscape (to which those generators are aligning with) has still, in mid-May 2026, not been finalised (with circa six months to go). Of course, this is not ideal and has consequential effects, in terms of the timing for their claim submissions to NESO.</p> <p>When first introduced (via GC0156) the date of 31st December 2026 had logic; however, over the intervening years things have developed such that</p>		

Public

		<p>there is a need to allow a time period extension for claims to be made.</p> <p>In this regard it is worth noting that only legitimate claims can be submitted (and, if verified, then paid).</p> <p>Maintaining a 31st December 2026 time restriction on when those legitimate claims can be made (in light of the recent changing landscape noted above) is, in our view, no longer appropriate – hence the merit in this Modification being approved.</p>
4	Do you agree with the Proposer's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>