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Workgroup Consultation Response Proforma

CMP414: CMP330/CMP374 Consequential Modification

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 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 cusc.team@neso.energy

Respondent details	Please enter your details	
Respondent name:	Neil Geddes	
Company name:	SP Transmission plc	
Email address:	transmissionconnections@spenergynetworks.com	
Phone number:	Not Applicable	
Which best describes your organisation?	☐ Consumer body ☐ Demand ☐ Distribution Network Operator ☐ Generator ☐ Industry body ☐ Interconnector	☐ Storage ☐ Supplier ☐ System Operator ☒ Transmission Owner ☐ Virtual Lead Party ☐ 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, (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;*

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- 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.

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

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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> ☐ i ☐ ii ☐ iii ☐ iv ☒ None </td> </tr> </table>	Original	☐ i ☐ ii ☐ iii ☐ iv ☒ None
		Original	☐ i ☐ ii ☐ iii ☐ iv ☒ None	
The efficient discharge by the Licensee of its obligations: - Negative. We do not believe that the original proposal better facilitates Applicable Objective i). While stakeholder evidence points to potential cost efficiencies, it is not clear that these are robust or transferable to the GB context. In particular, there remains insufficient evidence that such savings would be realised consistently, or that they would not introduce additional risks or complexity in delivery. Facilitating effective competition: - Neutral. We are Neutral on Applicable Objective ii) being better facilitated through the Original proposal. Although the proposal is supported by some developers on the basis that it could reduce costs, the evidence provided is limited in scope and largely case-specific. It does not clearly demonstrate that CMP414 would give rise to sustained or effective competitive pressure across the wider market.				

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		Compliance with the Electricity Regulation and relevant legally binding decisions: - Neutral. We are Neutral on Applicable Objective ii) being better facilitated through the Original proposal. No material impacts on compliance have been identified. However, neither is there evidence that the proposal materially improves alignment beyond the current arrangements. Promoting efficiency in the implementation and administration of the CUSC arrangements: - Negative. We do not believe that the original proposal better facilitates Applicable Objective iv). The evidence presented focuses primarily on potential capital cost and programme savings; however, it does not fully consider administrative and implementation impacts. There remains a risk that introducing additional contestability could increase process complexity, with uncertain net efficiency benefits. SPT's position remains consistent with its previous consultation response and Workgroup contributions. While CMP414 introduces additional flexibility in a limited set of circumstances, specifically through extending contestability to certain longer Sole Use transmission assets, SPT does not consider that it can currently be demonstrated, with sufficient confidence, to better facilitate the Applicable Objectives relative to the baseline. A key factor in this assessment is the limited availability of directly comparable real-world experience. While there is some relevant evidence from contestability at distribution level and from higher-voltage projects in other jurisdictions (e.g. Ireland), including indications of cost and delivery benefits, their applicability in GB transmission is constrained by the fact that connection delivery is frequently driven by shared network reinforcement. In particular, the Irish evidence presented to the Workgroup primarily relates to delivery models and asset types more analogous to distribution-level works. In
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		addition, while time and cost savings have been observed in those contexts, their applicability in GB transmission is constrained by the fact that connection delivery is frequently driven by shared network reinforcement, particularly within the SPT area. As such, the extent to which similar benefits would be realised under CMP414 with sufficient certainty remains unclear. Evidence presented to the workgroup also included developer led quantitative analysis and anecdotal industry experience. The industry cost benefit analysis does not fully account for the role of the TO in assurance of the design, build and commissioning of the asset. Anecdotal industry experience of TO-led delays and cost escalation does not fully reflect that contributing factors are overwhelmingly outside of the TOs control and would also directly impact the User if providing the works contestably. As such, the net benefits of CMP414 have not been demonstrated to a sufficient level of confidence. Evidence presented to the workgroup also included developer led quantitative analysis and anecdotal industry experience. The industry cost benefit analysis neglects to account for the role of the TO in assurance of the design, build and commissioning of the asset. Anecdotal industry experience of TO-led delays and cost escalation fails to acknowledge that contributing factors are overwhelmingly outside of the TOs control and would also directly impact the User if providing the works contestably. Again, the benefits of CMP414 have not been demonstrated. SPT considers the following differences to be material: Future sharing risk: Assets initially considered Sole Use within the GB transmission system have a demonstrable likelihood of becoming shared over time, reflecting the scale of the connections pipeline and evolving system requirements. The probability of future sharing can only increase where scope increases beyond 2km. This introduces additional uncertainty around asset design, delivery
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		responsibility, and long-term efficiency that is not fully captured in comparator examples. System integration and scale: The types of assets within scope of CMP414, particularly longer Sole Use transmission circuits, are more likely to have interactions with wider system planning, outage coordination, and reinforcement requirements. These interactions increase delivery complexity and reduce the likelihood that contestability alone would materially influence overall delivery timelines or costs. Risk allocation and cost recovery: There remains uncertainty regarding how risks would be managed where User-led delivery fails or is not completed, and how associated Transmission Owner intervention costs would be treated within the GB regulatory framework. While CMP414 includes provisions relating to intervention and adoption, their practical application, particularly in more complex or evolving network scenarios, has not yet been demonstrated in a GB transmission context. As a result, while comparator evidence indicates that benefits are possible in principle, the anticipated benefits of CMP414 in the GB transmission context have not yet been evidenced on a sufficiently robust or comprehensive basis. In contrast, several associated risks, particularly those relating to future asset sharing, delivery failure, and system integration, are more clearly identifiable. The Workgroup noted that such risks may be low in likelihood where appropriate controls are applied but would have a high impact where they arise.
2	Do you support the proposed implementation approach?	☒ Yes ☐ No

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		SPT's support for implementation remains conditional, consistent with our previous consultation response. This reflects, in part, the limited availability of evidence on the practical application of extended contestability in the GB transmission context. While we recognise the intent to align CMP414 with CMP330/374, implementation should not proceed without appropriate alignment with wider regulatory and operational frameworks. Several key areas identified through the Workgroup process remain insufficiently developed to support implementation at this stage. In addition, there is ongoing uncertainty regarding the interaction with the Planning and Infrastructure Act (PIA), including the potential for the Authority to exercise PIA powers and undertake a Statutory Consultation. It is currently unclear how CMP414 (and CM079) would progress in parallel with, or be subsumed within, any such process. The proposed implementation timetable, including consultation in summer and implementation by year end, may therefore be subject to change depending on the Authority's approach. This reinforces the need for clarity on the overall regulatory pathway before implementation proceeds. Further work is required in relation to: • Risk allocation and cost recovery arrangements: There remains a lack of clarity on how costs would be managed where Transmission Owner intervention is required, particularly in scenarios involving delivery failure, late-stage intervention, or assets that become shared. While CMP414 includes provisions relating to intervention and adoption, their practical application within the GB regulatory framework has not yet been demonstrated.
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		• Roles, responsibilities, and accountabilities: Clear and consistent allocation of responsibilities between Users and Transmission Owners and NESO is critical, particularly for longer and more complex Sole Use assets. As highlighted in Workgroup discussions, reliance on Adoption Agreements alone may not provide sufficient certainty and could give rise to inconsistency or dispute. • Interaction with wider reform programmes: CMP414 sits alongside several significant ongoing reforms, including Connections Reform. These initiatives are currently the primary drivers of delivery timelines and system outcomes. Implementation of CMP414 should therefore be coordinated with these programmes to avoid unintended interactions and ensure that industry resources remain focused on priority deliverables SPT maintains that further engagement with Ofgem, alongside appropriate implementation planning and regulatory clarity, is necessary before implementation can be supported. This will help ensure that any extension of contestability can be introduced in a way that protects consumers, maintains system integrity, and aligns with the broader framework for transmission network delivery.
3	Do you have any other comments?	SPT refers to its previous consultation response and Workgroup contributions, where several key considerations were set out. These positions remain broadly unchanged. In particular: • Risk exposure and intervention: The underlying concern regarding Transmission Owner exposure to unfunded or uncertain

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		intervention costs in the event of User-led delivery failure remains a key issue. While CMP414 includes provisions relating to intervention and adoption, there remain concerns that the practical application of these arrangements, particularly in scenarios involving late-stage intervention or assets that subsequently become shared, has not been demonstrated within the GB transmission context. The Workgroup also recognised that such risks may be low in likelihood where appropriate controls are in place, but would be high in impact where they occur, with potential consequences for costs, delivery timelines, and other Users Clarity of roles and responsibilities: There continues to be limited clarity on the allocation of responsibilities between Users and Transmission Owners across the full asset lifecycle. As highlighted during Workgroup discussions, reliance on Adoption Agreements as the primary mechanism for defining these roles may not provide sufficient consistency or certainty, particularly for longer and more complex assets, and may give rise to dispute. System planning and future development: The potential for longer Sole Use assets to interact with future network requirements remains a material consideration, particularly in a dynamic and evolving connections environment. The Workgroup identified that assets initially developed for Sole Use may subsequently become shared or form part of wider reinforcement schemes, introducing additional complexity in terms of design, coordination, and cost allocation.
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		Deliverability: The extent to which contestability can accelerate delivery remains dependent on wider system constraints, including shared network reinforcement, outage coordination, and planning processes. As discussed within the Workgroup, these factors are typically the primary drivers of delivery timelines, meaning that the incremental benefit of contestability for Sole Use assets is likely to be limited in many cases Interaction with RIIO-ET3 incentives: We would also note potential interactions with the RIIO-ET3 framework, in particular the Connections Output Delivery Incentive (ODI), which incentivises Transmission Owners to complete connections ahead of agreed Completion Dates. Extending contestability introduces additional dependencies on User led delivery elements that are outside of the Transmission Owner's direct control. These factors are not currently reflected within the ODI framework, including the treatment of exceptions. This could expose Transmission Owners to additional delivery risk and has the potential to undermine the effectiveness of existing incentive arrangements. These points reflect ongoing considerations identified throughout the Workgroup process, rather than new issues, and should be considered alongside SPT's previous submission.
4	Do you wish to raise a Workgroup	☐ Yes (the request form can be found in the Workgroup Consultation Section) ☒ No

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	Consultation Alternative Request for the Workgroup to consider?	No Workgroup Consultation Alternative is being raised at this stage.
5	Does the draft legal text satisfy the intent of the modification?	☐ Yes ☒ No SPT acknowledges that the updated drafting provides additional clarity on certain principles, including intervention criteria and adoption arrangements. However, these changes do not materially address the underlying concerns regarding practical application, consistency, and cost recovery. While the draft legal text reflects the high-level intent of CMP414 and has been subject to review through the Workgroup process, it does not yet provide sufficient clarity or certainty to support consistent application in practice, particularly in relation to longer Sole Use transmission asset. While these updates provide additional clarity on certain principles, including intervention criteria and adoption arrangements, they do not fully address the underlying issues identified by SPT. Further development is required in the following areas: Transmission Owner intervention and cost treatment: Greater clarity is required regarding the circumstances in which Transmission Owner intervention would be triggered, and the associated implications, including cost treatment. While intervention provisions are included within

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		the draft legal text, their application in scenarios such as delivery failure, late-stage intervention, or where assets transition from Sole Use to shared remains insufficiently defined. Interface between User delivery and Transmission Owner responsibilities: The legal framework does not yet provide a clear and consistent delineation of responsibilities between Users and Transmission Owners during the delivery phase prior to asset adoption. This is particularly relevant for longer and more complex assets, where coordination, assurance, and system integration requirements are more extensive. Reliance on Adoption Agreements: These issues were central to SPT's earlier concerns and have not been materially resolved. As such, SPT does not consider that the current legal drafting provides a sufficiently robust framework to support the extension of contestability envisaged under CMP414. These issues were central to SPT's earlier concerns and, while discussed during the Workgroup process, have not been materially resolved. As such, SPT does not consider that the current legal drafting provides a sufficiently robust framework to support the extension of contestability envisaged under CMP414.
6	Do you agree with the Workgroup's assessment that the modification does not	☒ Yes ☐ No

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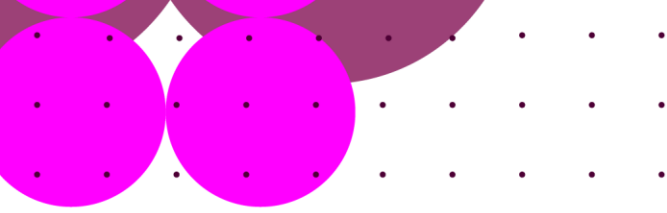
	impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	Yes. CMP414 relates to contestability and asset delivery governance and does not affect balancing arrangements or the EBR Article 18 terms and conditions held within the CUSC. SPT therefore agrees that the modification has no impact on EBR provisions.
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Specific Workgroup Consultation questions

7	Do you believe that the Workgroup met the questions and concerns raised by Ofgem in the send back letter of August 2024. If not, please would you provide further information or evidence on any of the points set out in the send back letter appearing in Annex 03 of this report	SPT recognises that the Workgroup has made constructive progress in responding to Ofgem’s send back, particularly in clarifying CMP414 as a consequential modification and refining its scope in relation to longer Sole Use assets. However, consistent with SPT’s contributions throughout the Workgroup, it is important to recognise that the remaining uncertainties are not primarily due to shortcomings in the Workgroup process but instead reflect inherent limitations in the available evidence base. There are currently very limited real-world examples of contestable delivery at the scale and complexity envisaged under CMP414 within the GB transmission context. As a result: • The assessment of potential benefits is based largely on assumptions rather than demonstrable outcomes. • Key risks, including those relating to delivery failure, system integration, future asset sharing, and cost recovery, cannot yet be robustly evidenced. While there is relevant experience from distribution level contestability and from other jurisdictions (including Ireland, where cost and delivery benefits have been observed), these examples are not directly comparable to GB transmission arrangements. Differences in system scale, network complexity, regulatory framework, and the role of shared network reinforcement limit the extent to which such
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		evidence can be relied upon to demonstrate outcomes under CMP414. This reflects the fact that, while the Workgroup has fully explored available evidence and stakeholder input, the underlying market experience required to substantiate the proposal is not yet sufficiently developed. Accordingly, while the Workgroup has responded appropriately within these constraints, SPT considers that several of Ofgem's underlying concerns remain only partially resolved. This is particularly the case in relation to demonstrating tangible consumer benefits and establishing a clear and robust framework for risk allocation.
8	To what extent does CMP414, consequential to CMP330/374, help achieve the objectives outlined in Ofgem's demand connections reform call for input, as well as providing benefits to generation and storage? What gaps do you believe there are and what would you recommend to address them? Please provide evidence for any comments	CMP414 provides a limited degree of flexibility... and may support Demand Connections Reform objectives in those specific cases by providing additional flexibility in the delivery of certain discrete Sole Use assets. However, for most projects, overall delivery timelines are driven by shared infrastructure, system reinforcements, outage coordination, and wider planning constraints. These factors were identified within the Workgroup as the primary determinants of delivery, meaning the potential impact of CMP414 on connection timelines and outcomes is limited. CMP414 should therefore be viewed as a supporting or enabling measure, rather than a comprehensive solution to the challenges addressed through Demand Connections Reform. Its contribution is likely to be confined to specific circumstances where Sole Use assets can be delivered independently of wider system dependencies. In addition, practical experience suggests that developer appetite for contestability may change once the implications for project risk and delivery are fully understood. In the context of fixed application windows, this could introduce delays in securing a final connection offer, potentially offsetting any anticipated benefits.



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