

Public

Code Administrator Consultation Response Proforma

CMP471: Interim Contract Variation Process Ahead of CMP434

Gated Application Window

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 **25 September 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:	Paul Mott	
Company name:	NESO	
Email address:	Paul.mott1@neso.energy	
Phone number:	07752___987992	
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

Public

I wish my response to be:

(Please mark the relevant box)	☒ Non-Confidential (<i>this <u>will be shared</u> with industry and the Panel for further consideration</i>)
	☐ Confidential (<i>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</i>)

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;*

Public

- 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.

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.

Public

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution(s) against the Applicable Objectives against the current baseline.	Mark the Objectives which you believe the proposed solution(s) better facilitates than the current baseline:
		Original ☐ i ☐ ii ☐ iii ☐ iv ☒ None
		WACM1 ☐ i ☐ ii ☐ iii ☐ iv ☒ None
		WACM2 ☐ i ☐ ii ☐ iii ☐ iv ☒ None
		WACM3 ☐ i ☐ ii ☐ iii ☐ iv ☒ None
		NESO does not believe this mod better meets non-charging CUSC applicable objective (i) (re: licence obligations) or (ii) (re: competition). We acknowledge the concern that developers have been unable to amend their connection dates during the pause, with some project timelines at risk of becoming unrealistic/unachievable. However, NESO are currently, alongside the TOs and DNOs, in the midst of delivering phase 2 Gate 2 connection offers in accordance with Joint Industry Plan (JIP) where we work with the TOs and DNOs who carry out the necessary studies to allow us to make Gate 2 offers with achievable connection dates. Adding the additional process to allow developers to delay their connection dates would take connections operational delivery resources off working to get phase 2 gate 2 offers out in accordance with the JIP. This would cause further delays to those yet to receive their G2tWQ (gate 2 to whole queue) connection offers by changing the baseline timings to which NESO, DNOs and TOs are working to intensely, using their full

Public

	available resource by diverting resource to deal with the change required by CMP471. This would also have detrimental impacts to when the next application window is able to open, pushing this back even further, damaging competition by delaying that window to new would-be generators and interconnectors. If this mod doesn't prevent it, we are committed to working with TOs and DNOs to issue all Gate 2 Phase 2 offers as soon as possible NESO with support of the TOs and DNOs introduced several measures ahead of the connections reform process to help enable projects to ensure that they were ready. This included moving to transitional offers to speed up connections offers and a pause period which also included an exceptions process. Ahead of the pause process, NESO and the TOs received significant numbers of modification applications as developers sought to revise their connections ahead of the reform process to ensure that they were in the best position going forward. Thinking of WACM1 and WACM3 with their proposed adjustment to milestones, further to the above, NESO have continued to support developers through a securities freeze process which has been extended on several occasions, comprising an approach where we do not enforce Queue Management (QM) milestones until a gate 2 offer has been signed as well as an extension to the QM exceptions process to address the delays caused by the G2tWQ process. We do not consider the proposal or any of WACMs 1,2, and 3 to better facilitate efficiency in implementation and administration of the CUSC arrangements than the current baseline. We do consider WACM2 to be slightly better than the original in that it sets out a series of headings/bases
--	---

Public

		under which the connection date delay requests would be made. WACMs 1 and 3 cause a consequential review of the queue management milestones (in Appendix Q of each generator's BCA), which breaches the principle of the milestones being fixed as the modification that brought these milestones in, CMP376, had intended; we consider these two WACMs to be the worst variants as by adjusting the milestones, there is not the consequence to a date delay that CMP376 intended. We believe the 3 variants and the original undermine the principle that was embodied in CMP434 and CP30, of ensuring that projects making it to Gate 2 were "ready" by their stated date.
2	Do you have a preferred proposed solution?	☐ Yes ☒ No If yes, please indicate below which one. We prefer baseline, today's arrangement, so that we can proceed with getting the gate 2 phase 2 offers all out before the end of January 2027, hopefully towards the earlier part of that month, and so that the opening up to new connection applicants can then happen without delay.
3	Do you support the proposed implementation approach?	☐ Yes ☐ No We note that the legal text suggests CDDRs are each processed within 60 working days of receipt of each CDDR, unless Ofgem agrees otherwise with NESO. We gave a response to the workgroup on timeframe for implementation, in 2 parts: If Ofgem were to approve the mod almost straight after receiving it 7th October, then we would expect the IT build to begin immediately and be

Public

		completed by 20th November. Between 20th November and the date in January when the last phase 2 gate 2 offers are out (which we hope will be early in January), NESO would focus on team training, operational preparation and resourcing. This date in January is the earliest that NESO and the TOs will start to have some resource to be able to facilitate processing CDDRs. Final CDDR offers would then be issued within four months of that date in January. If Ofgem were to approve the mod and advise NESO that the Joint Industry Plan was to be paused, the process could open no earlier than six to eight weeks after the decision: six weeks for the IT build, followed by two weeks for training and operational readiness. This would bring the timeline forward by around one month. It would of course delay getting the phase 2 gate 2 offers out.
4	Do you have any other comments?	Since the proposers of WACM1/3 clarified at the final workgroup that the consequent adjustment to milestones that would occur under these variants, would only take place later on AFTER the issuing of a new connection date where a connection date delay request is successful, the above timeframes apply the same to WACM1/3 as to WACM2 and the original proposal.
5	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?	☒ Yes ☐ No
		Not relevant, no effect

Public