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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:	Ciaran Fitzgerald	
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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

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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;*

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- 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.

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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
		Our assessment of the Original and each WACM against the applicable objectives, relative to the baseline, is predominantly the same as they are similar in nature. For their main function, we assess the Original and each WACM as following: Applicable Objective i) – We believe these proposals better facilitate AO i) as this new process will allow connection contracts to be aligned with post-reform project programmes at the earliest opportunity and with the least administrative burden. It will reduce the requirement for formal contract revisions to be undertaken at a later date, which would create unnecessary re-work and duplication of offer production for the Licensee. It will also ensure the Licensee has view of the realistic pipeline for connections at the earliest opportunity, which will lead to more effective and efficient queue management. Applicable Objective ii) – We believe these proposals better facilitate AO ii) relative to the baseline. These proposals would reduce the risk that healthy, viable projects would be deterred from signing Gate 2 offers

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		by the unreasonable financial burden that could be placed on them due to contract misalignment. In this case, the contract misalignment would not be the fault of the User, but because of the prolonged Connections Reform implementation process and so this financial burden could unreasonably compromise viable projects. Applicable Objective iii) – We believe that each proposal is neutral with respect to facilitating AO iii). Applicable Objective iv) – We believe these proposals better facilitate AO iv) relative to the baseline, as they reduce the administrative burden to CUSC parties that would be required to make the necessary Completion Date changes. Without CMP471 implementation, these changes would still need to be made and would require a Gated mod-app. This would require second contract revision, in addition to the Gate 2 offer, which would require significantly more administrative burden on all parties involved. We believe that WACM1 and WACM3 best facilitate AO ii) relative to the baseline as they also account for the impact on progress against Queue Management Milestones. Without allowing for Queue Management milestones to be delayed in line with the CMP471 Completion Date delay, there is a risk that viable projects could be unreasonably terminated for failure to meet QM Milestones, or be deterred from signing Gate 2 offers due to the risk of termination – thus negatively impacting on competition. We believe that WACM2 is less effective than the other proposals relative to AO i) and iv), as it creates an additional process for developers and NESO to provide and review evidence respectively, in order to agree a delay to Queue Management Milestones. We think this
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		additional administrative burden is unnecessary under these circumstances.
2	Do you have a preferred proposed solution?	☒ Yes ☐ No If yes, please indicate below which one. WACM3 WACM3 As noted in our response to question 1, we believe that WACM1 and WACM3 best facilitate AO ii) as they also address the need to adjust Queue Management milestones considering the delays incurred because of the prolonged Queue Management implementation process. We believe that the impact of Connections Reform implementation delays constitutes a valid Exception against QM milestones and that Exception applications for this reason should be accepted without the need for a review process. Therefore, we prefer WACM1 and WACM3 to the original and WACM2. We believe that the review process for NESO with regards to QM milestones adjustment in WACM2 places an unnecessary burden on NESO. It is also unclear whether the process which this WACM would introduce is substantially different from the Exception process which is already set out within CUSC. Whilst we believe that Queue Management milestone dates should be adjusted, we think that a limited adjustment is more appropriate and more aligned with the spirit of the Queue Management process (including the Exceptions process). WACM1, in fully aligning QM milestone dates with the new Completion Date, could give an unfair and unbalanced benefit to those projects

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		which had fallen significantly behind on programme for reasons other than the Connections Reform implementation process. We believe that the limited adjustment proposed in WACM3 is well defined and justified and therefore we have selected this as our preferred WACM.
3	Do you support the proposed implementation approach?	☐ Yes ☒ No We have concerns that the delays set out by NESO during the workgroup discussion and in the 'Implementation Approach' section of the report, will have a significant, negative impact on this modification and the benefits it would bring. Our primary concern is that this modification is implemented as quickly as possible in order to bring meaningful benefit. If this cannot be implemented and the new process opened to Users in Q4 2026, then the benefits will be significantly reduced. Whilst NESO's 'Mod-app Exercise' suggested there may be an alternative ad-hoc approach taken, there has been no update on this process and we think it would be extremely unfair if Users had no opportunity to amend their Completion Date prior to April 1st 2027, as a result of the delay to Connections Reform implementation and the failure to adequately implement this modification or an alternative solution.
4	Do you have any other comments?	During the workgroups discussions, the TOs have set out their position that it will not be possible to

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		accommodate all CDD requests. The 'acceptability' of a request may not be evident to Users prior to request submission. We strongly recommend that the general circumstances under which requests are likely to be acceptable or not should be published at the point of implementation. It is essential to ensure that the possibility of a request being rejected, and the reasons for this, are very clearly communicated to all Users. This will ensure Users are not misled or do not misunderstand the facts of the modification.
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
		We do not believe that this modification impacts the EBR Article 18 terms and conditions held within the Code.