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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:	Andrew Colley	
Company name:	SSE Generation	
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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
		<u>Original Proposal</u> SSE Generation (“we”) consider that the Original Proposal better facilitates Applicable Objectives (ii) and (iv) than the current baseline. The extended Gate 2 to Whole Queue (G2TWQ) process has created circumstances in which contracted Completion Dates may no longer reflect realistic project delivery programmes. As a consequence, some projects face exposure to contractual milestones, securities, capital contributions and potential liabilities based upon dates that are no longer deliverable. The absence of an effective mechanism to address this misalignment risks distorting project investment and development decisions and creates unnecessary commercial risk for otherwise viable projects. The Original Proposal supports effective competition by allowing projects to progress on the basis of realistic delivery assumptions, rather than historic contractual dates which may have become outdated as a consequence of Connections Reform. It therefore reduces the risk that viable projects are disproportionately

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	impacted by contractual arrangements that no longer reflect achievable delivery programmes. The proposal also promotes efficiency in the implementation and administration of the CUSC by establishing a clear, transparent and time-limited process to address a specific consequence of the G2TWQ transition. It provides a practical route to address Completion Date misalignment without requiring users to pursue multiple subsequent contractual variations or accept Gate 2 offers on the basis of assumptions that are known to be outdated. <u>WACM2</u> We consider that WACM2 also better facilitates Applicable Objectives (ii) and (iv) compared with the baseline and is an acceptable alternative to the Original Proposal. WACM2 addresses the same underlying defect as the Original Proposal by providing a mechanism through which users may seek Completion Date adjustments during the G2TWQ period. The introduction of an evidential threshold linked to exceptional circumstances outside a user's control provides an additional safeguard against unintended use of the process whilst maintaining a route for projects that have genuinely been impacted by circumstances arising from Connections Reform or other exceptional events. Whilst SSE Generation has a preference for the Original Proposal, because it provides the clearest and most comprehensive framework for achieving the policy intent, we consider that WACM2 remains a workable and proportionate alternative that better facilitates effective competition and administrative efficiency compared to the current baseline.
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		<u>WACM 1</u> We do not consider that WACM1 better facilitates the Applicable Objectives compared to either the Original Proposal or the baseline. Whilst we recognise the intent of ensuring alignment between Completion Dates and User Progression Milestones, WACM1 extends beyond the specific defect identified by CMP471 and introduces broader changes to Queue Management arrangements. Automatic recalculation of all User Progression Milestones following approval of a Completion Date Delay Request risks weakening the distinction between Completion Date alignment and project readiness assessment. A central principle of Connections Reform is that network capacity should be prioritised towards projects demonstrating a credible pathway to delivery. In our view, treatment of project readiness milestones should continue to be considered through the wider Queue Management and Connections Reform framework rather than through a temporary modification (i.e. CMP471) intended to address Completion Date misalignment. <u>WACM 3</u> We do not support WACM3. As with WACM1, WACM3 introduces additional provisions relating to Queue Management milestones that extend beyond the principal defect that CMP471 is seeking to address. Whilst we recognise concerns regarding progression milestones, we do not believe a Completion Date delay mechanism should automatically result in additional rights to delay Queue Management milestones.
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		The purpose of CMP471 should remain focused on addressing contractual Completion Date misalignment arising from the G2TWQ process. Expanding the scope into wider project readiness and Queue Management arrangements risks increasing complexity, creating unintended consequences and undermining principles established under Connections Reform.
2	Do you have a preferred proposed solution?	☒ Yes ☐ No If yes, please indicate below which one. Our preferred solution is the Original Proposal. The Original Proposal provides the clearest, most targeted and proportionate solution to the identified defect. It creates a transparent and time-limited mechanism through which eligible users can align contracted Completion Dates with realistic project delivery programmes, whilst remaining tightly focused on the exceptional circumstances created by the G2TWQ process. We also support WACM2 as an acceptable alternative. However, on balance we consider that the Original Proposal provides the most comprehensive and consistent framework for delivering the intended policy outcome across all eligible users
3	Do you support the proposed	☒ Yes ☐ No

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	implementation approach?	We support implementation 10 Business Days following an Authority decision together with the proposed amendments to the CUSC. Timely implementation remains important given the continuing G2TWQ process and the increasing risk of projects entering security and liability positions that do not reflect realistic or deliverable programmes. The proposed implementation approach provides an appropriate balance between urgency and practical delivery. We continue to consider that supporting information will be important to ensure the process operates consistently and transparently, particularly in relation to assessment criteria, evidential requirements, offer validity arrangements, consequential contractual updates and circumstances where requests cannot reasonably be accommodated.
4	Do you have any other comments?	CMP471 should remain a temporary and targeted intervention designed to address the specific consequences of the G2TWQ process and should not become an enduring mechanism for managing Completion Date changes outside the normal Connections Reform framework. We continue to believe that where a Completion Date Delay Request cannot be accommodated, NESO and the relevant Transmission Owner should provide clear justification and, where reasonably possible, identify an alternative deliverable Completion Date. Such transparency will improve confidence in the process and support consistent decision-making.

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		We also consider it important that any approved Completion Date Delay Request results in all necessary consequential contractual updates required to maintain consistency within the contractual framework, including the appropriate treatment of liabilities, securities, capital contribution arrangements and associated contractual assumptions.
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 agree with the Workgroup's assessment. CMP471 concerns connection contract administration and the introduction of a temporary Completion Date delay process. It does not alter balancing arrangements, balancing services procurement, reserve products, market participation arrangements or any Article 18 balancing terms and conditions. We therefore consider the modification to be neutral in relation to the Electricity Balancing Regulation Article 18 requirements.