

Public

Ofgem
10 South Colonnade
Canary Wharf
E14 4PU

National Energy System Operator

Transmission Charging Strategy Manager
www.neso.energy

03/11/2025

Minded-to Decision on CMP448: Introducing a progression commitment fee to the Gate 2 connections queue

Dear Neal,

Thank you for the opportunity to respond to CMP448 Minded-to decision consultation. Our response is not confidential, and if required we are happy to expand on any of the points contained herein once you have taken them into consideration.

Who we are

NESO lies at the heart of the energy system as an independent, public corporation responsible for planning Great Britain's electricity and gas networks, operating the electricity system and creating insights and recommendations for the future whole energy system.

At the forefront of our efforts is delivering value for consumers. We work with government, regulators and our customers to create an integrated future-proof system that works for people, communities, businesses and industry, where everyone has access to clean, reliable and affordable energy.

NESO's primary duty is to promote three objectives: enabling the government to deliver net zero, promoting efficient, coordinated and economical systems for electricity and gas and the economy and efficiency of energy businesses and ensuring security of supply for current and future consumers. NESO will take a whole system approach, looking across natural gas, electricity and other forms of energy and will engage participants in all parts of the energy ecosystem to deliver the plans, markets and operations of the energy system of today and the future.

Our key points

As proposer of the CUSC Modification, NESO is supportive of Ofgem's Minded-to position to approve the CMP448 Original Proposal. We agree with Ofgem's view that the Original Proposal overall better facilitates applicable objectives (i), (ii) and (iv), whilst exhibiting a neutral effect with respect to applicable objective (iii).

Public

Should you require further information on any of the points raised in our response please contact Ash Adams, Senior Commercial Code Change Lead, at Ashley.Adams2@neso.energy.

Yours sincerely,



Transmission Charging Strategy Manager

Public

Appendix 1 Consultation Question Responses

Q1. Do you agree with our minded-to position to approve the Original Proposal of CMP448? Please provide reasons for your answer.

We believe that the Original Proposal will put in place arrangements that will help accelerate the connection of readier and more viable projects through the timelier removal of unviable projects from the Gate 2 generation connections queue, should it transpire that such arrangements are required through the activation of the Progression Commission Fee. If approved and subsequently activated, this solution will facilitate the achievement Net Zero and Clean Power 2030 in a more timely and cost-efficient manner. In this scenario, we would expect the Original Proposal to drive greater efficiencies through enabling more coordinated network design, and facilitating the delivery of transmission works. It should also reduce the administrative burden associated with managing projects through the Gate 2 process that are unlikely to ultimately connect to the grid.

In the case of WACM1, we have concerns that the significantly lower Progression Commitment Fee (“PCF”) values will be insufficient to incentivise the desired behaviours in many cases. Therefore, when this WACM1 is compared to the Original Proposal, the benefits achieved in relation to the Applicable Objectives would be to a far lesser extent.

In the case of WACM2, the opportunity to significantly reduce a projects applicable PCF up until three months before the M1 date may result in only speeding up the removal of unviable projects from the queue by three months. If the WACM2 solution were approved and activated, projects may be incentivised to wait for this “cut off” date before initiating a termination. Additional information would also need to be shared consistently between DNOs and NESO to facilitate the practical implementation of this WACM2. This would lead to a higher administrative burden compared to the Original Proposal. For these reasons, we believe that when this WACM2 is compared to the Original Proposal, the benefits achieved in relation to the Applicable Objectives would also be to a far lesser extent.

Q2. Do you have any further remarks, comments or concerns with our minded-to position or the accompanying Impact Assessment, that you would like us to take into account?

We have provided our views and supporting analysis throughout the development of the Proposal and to support Ofgem’s Impact Assessment. We therefore have no further comments to provide at this stage.