



# **Connection and Use of System Code (CUSC) CMP448: Introducing a progression commitment fee to the Gate 2 connections queue**

**03 November 2025**

[connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk)

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Dear Neal,

**Minded-to Consultation: Connection and Use of System Code (CUSC) CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue**

This response is prepared on behalf of SSEN Transmission<sup>1</sup> ("SSENT"), part of the SSE Group, responsible for the electricity transmission network in the north of Scotland, to Ofgem's minded-to consultation on Connection and Use of System Code (CUSC) CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue.

We have addressed the consultation questions in the attached **Appendix**.

Yours Sincerely

  
SSEN Transmission

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<sup>1</sup> Scottish and Southern Electricity Networks is a trading name of: Scottish and Southern Energy Power Distribution Limited Registered in Scotland No. SC213459; Scottish Hydro Electric Transmission plc Registered in Scotland No. SC213461; Scottish Hydro Electric Power Distribution plc Registered in Scotland No. SC213460; (all having their Registered Offices at Inveralmond House 200 Dunkeld Road Perth PH1 3AQ); and Southern Electric Power Distribution plc Registered in England & Wales No. 04094290 having their Registered Office at No.1 Forbury Place, 43 Forbury Road, Reading, RG1 3JH which are members of the SSE Group [www.ssen.co.uk](http://www.ssen.co.uk)

## APPENDIX

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

We support the broad policy intent of the Original Proposal. The proposal, if approved, would allow the facility to be introduced that could enable more efficient transmission network planning and encourage projects that are more ready to connect to be able to progress quicker.

#### **ACO (i): Efficient Discharge of Licensee Obligations**

We agree that the Original Proposal better facilitates the achievement of ACO (i) as compared to the baseline. Should the PCF be activated (due to a large amount of project capacity failing to progress appropriately in the future connections queue) it could incentivise less viable or speculative projects to exit the queue, and could encourage readier projects to apply, and so enable quicker connection of projects that are more ready to connect. This better facilitates ACO (i) as compared to the baseline as it helps NESO discharge its license obligations by contributing to an efficient and economical transmission system and supporting solutions that alleviate the need to upgrade or replace network capacity.

#### **ACO (ii): Facilitating Effective Competition**

We believe the Original Proposal has a neutral impact on the achievement of ACO (ii). The Original Proposal could facilitate effective competition by implementing a framework that could (if activated) incentivise projects to apply and join the connections queue at a readier stage and disincentivise less viable projects from joining the connections queue. If the PCF results in faster connection rates, competition in the generation and supply of electricity will be better facilitated.

Although the Original Proposal could improve the competition element, it could lead to unintended consequences, for example potentially disadvantaging some viable projects. In particular, smaller and community projects, as the overall increase to financial commitments would have a relatively larger impact on them. If activated, the PCF could potentially lead to a higher proportion of smaller and community projects self-terminating or deciding not to apply for a connection, resulting in a less diverse connections pipeline. We discuss competition for smaller developers further below, in answer to Question 2.

#### **ACO (iii): Compliance with Electricity Regulation**

We agree that the Original Proposal has a neutral impact on ACO (iii).

#### **ACO (iv): Promoting Efficiency in CUSC Administration**

We agree that the Original Proposal better facilitates the achievement of ACO (iv) as compared to the baseline. If the PCF results in a more streamlined connections queue made up of more committed projects, this will bring benefits to the transmission system as it increases certainty in transmission network planning.

Should the PCF become active, the PCF could incentivise unviable projects to leave the connections queue in a timely manner. Should this capacity then be reallocated to a more viable project (or projects) it would allow more efficient utilisation of transmission assets and investment. The PCF could disincentivise unviable projects from joining the connections queue. As well as potentially increasing efficiency in TO investment planning, this would promote efficiency in the administration of the CUSC by reducing inefficiencies associated with administering applications for unviable projects.

**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 note Ofgem's conclusion in the consultation document and the impact assessment that the PCF risks impacting competition for small developers due to limited access to finance and higher relative costs.

We welcome plans to monitor the impact of the PCF on competition for smaller developers where the PCF has been activated. We also welcome the plans for the use of activation governance by NESO and Ofgem as an opportunity to assess the information available at the time and determine if PCF activation is the most appropriate decision, thereby safeguarding smaller projects against external factors beyond the developer's control. We recommend that, should the activation threshold be met and NESO makes the decision to activate the PCF, Ofgem consults with the industry to gather data regarding the impact of the PCF on competition for smaller and community projects, before making a final decision on PCF activation.

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