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## CMP448 Consultation

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From [REDACTED]  
Date Mon 2025-11-03 16:37  
To connections@ofgem.gov.uk <connections@ofgem.gov.uk>  
Cc [REDACTED]

Good Afternoon,

Please see below a response from Noriker Power in relation to OFGEM's Minded To Approve decision relating to CMP448.

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

No, we do not agree with the minded to position. Below is our reasoning, as originally provided to NESO.

All three proposed solutions are aimed at solving a problem which may never arise and there is insufficient data available to design it to a suitable standard and level to mitigate the issue. It is challenging to put together a suitable proposal for an issue which does not exist. It also assumed all problems leading to projects failing to progress at the required pace will occur between the award of a gate 2 offer and the submission of a planning application (M1), this could potentially leave the exact same issue but further down the queue. The only way this can be deemed suitable is if NESO and OFGEM are aware of the scale of the oversubscription issue following Connections Reform, and this has not been communicated through to developers.

CMP434 and CMP435 are providing a great deal of market uncertainty and difficulty in securing funding for project development. The addition of CMP448 poses an additional risk to this issue, which could ultimately remove the smaller developers who require funding for development. The further delay to the implementation of CMP435 only goes to provide further risk and uncertainty.

The manner in which the NESO work group voted goes to further display that this proposal only has a negative impact on the smaller developers. This proposal, and all proposals of a similar nature, run a similar risk of removing key competition from the market. Those voting from larger organisations voted in favour of the changes and particularly the changes involving no reduction in the termination fee requirement and thus the associated security. This is not a suitable solution for smaller developers with less cash available to post as

security, and is distinctly damaging to Objective II, which aims to increase competition of development.

Projects are already required to place security against all associated work with the project. This security is reduced as the project becomes more certain (i.e. the trigger date passes (42%) and planning is granted (10%)). This securitisation of assets is already a suitable cost to ensure projects are developing. Adding the risk of a second security for termination charges when it may never be required is illogical and unsuitable for a problem that does not currently exist and can't be quantified.

**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?**

The above response is the same response Noriker provided to NESO during their consultation, of which it is not clear from OFGEM's decision that any of the points have been considered or addressed, with the exception of point 3.47 where the effect on competition was assessed but seemingly overlooked by the panel.

The panel has only considered the removal of projects in facilitating competition and not the restriction on developers with lower cash being able to place the security and thus to take a Gate 2 offer.

The removal of these smaller developers is inherently detrimental to competition and could prevent very successful and high-quality projects from connecting to the network, which is ultimately the goal. Despite the workgroup coming to this conclusion as per 3.47, OFGEM still manage to conclude that this better facilitates competition.

Revisiting the above is vital and we urge OFGEM to carefully assess the variety of developers in the queue and the impact of this proposal on them. This proposal is highly detrimental to competition.

Moreover, beyond looking at similar proposals to implement measures we may not need, OFGEM should focus resources to ensure NESO correctly and appropriately manages CMP435 to prevent the need to implement a proposal such as CMP448.

Please acknowledge receipt of this response.

Kind Regards,



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Regulatory & Commercial Project Manager

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