

# Decision

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

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## **Foreword**

This document describes the outcome of our consultation to approve the Original Proposal of CMP448.

This proposal introduces a Progression Commitment Fee (PCF) as a way of incentivising timely reassessment of project viability in the Gate 2 connections queue.

This document outlines responses to our consultation on the proposed changes. For further details on how we used responses to this consultation to inform our final decision see Ofgem decision: Connection and Use of System Code (CUSC) CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue.

# 1. Introduction

This section sets out the summary of responses and gives context for our decision and informs stakeholders about the steps we have taken to arrive at our decision.

## Context and related publications

- 1.1 In October 2025 we published our minded-to decision to approve the Original Proposal of CMP448, which would introduce a Progression Commitment Fee (PCF) to incentivise reassessment of project viability in the Gate 2 connections queue. This decision follows our consultation analysis, and reflects our view that the Original Proposal best facilitates the Applicable CUSC Objectives (ACOs) compared to the status quo, WACM1, and WACM2.

## Decision-making stages

**Stage 1:** Consultation opened: 20 October 2025

**Stage 2:** Consultation closed (awaiting decision). Deadline for responses: 3 November 2025

**Stage 3:** Responses reviewed and published: 08 December 2025

**Stage 4:** Consultation outcome (decision published: 08 December 2025)

## 2. Decision to approve CMP448 (Grounds of Consultation)

This section will outline the key themes which emerged from the responses to questions posed in the minded-to consultation.

### Questions

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

### Summary of consultation responses

- 2.1 We received 40 responses in total. 33 were non-confidential and 7 were confidential.

### Key Themes

#### **Barrier to queue entry / additional financial risk/ impact on investor confidence**

- 2.2 A number of respondents raised that PCF requirements could introduce financial risks and perceived unfairness. They also mention the cost of securitising the PFC could add unsustainable pressure alongside other project expenses and stressed these factors could reduce the connections pipeline and hinder developers' ability to manage costs and timelines effectively. Others mentioned that they support CMP448 as it promotes more regular and rigorous evaluation of projects within the queue, enabling viable project to progress more efficiently.

#### **Risk to competition / Impact on small developers**

- 2.3 The risk to competition and impact on small developers was also raised. The consensus being that the proposed security levels for the PCF are seen as cost-prohibitive for smaller developers and community energy projects, favouring larger developers and reducing competition.

#### **Impact on certain project types / trigger should be technology specific**

- 2.4 Respondents highlighted the PCF proposal is disproportionately impacting specific project types and a trigger metric per technology type may be required. Solar and energy storage projects were mentioned as being disproportionately impacted due to their lower development expenditure. Furthermore, there were concerns raised about the impact on offshore wind

projects. No analysis has been undertaken on CMP434 project as these projects will face a scenario that is different from G2tWQ and risks will be evaluated in a different way.

### **Risk of substandard planning applications**

- 2.5 Several responses stated that the PCF risks creating unintended consequences such as substandard planning applications to meet the relevant queue milestone and avoid the fee. This may result in local planning authorities becoming overburdened with speculative or low quality applications.
- 2.6 Responses also discussed whether the timing of planning applications had been properly considered. If projects receive connection dates many years in the future it could be counterproductive for developers to submit planning applications before year three or four, as the consent would likely expire before construction begins.
- 2.7 They also highlighted the PCF six-monthly re-assessment cycle does not reflect the planning application timeframes.

### **Proposed Governance Mechanism**

- 2.8 A number of respondents proposed amendments to the governance mechanism in their responses. This included their support for NESO to report on the 6.5GW threshold on more granular level, to provide guidance on PCF operation and the publication of queue metrics. Some respondents also suggested that the Authority should consult industry in relation to impact on competition before confirming PCF activation and that five-year monitoring period following the implementation of the proposal is too late for CP2030.

### **Final Decision**

- 2.9 Following consideration of the consultation responses, our view is to approve the Original Proposal. We believe this approach ensures the greatest incentive for less viable projects to leave the queue earlier than they otherwise would, hence creating greater system benefit.
- 2.10 We have considered the response highlighted in key themes in more detail in our final decision *Connection and Use of System Code (CUSC) CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue (CMP448)*.
- 2.11 For a full explanation of how we reached our conclusion see our final decision *Connection and Use of System Code (CUSC) CMP448: Introducing a Progression Commitment Fee to the Gate 2 Connections Queue (CMP448)*.