

CMP456: Cost recovery for legacy plant in relation to GC0168

CMP466: CMP456 Consequential Charging Modification

Workgroup 6, 24 June 2026

Online Meeting via Teams

WELCOME

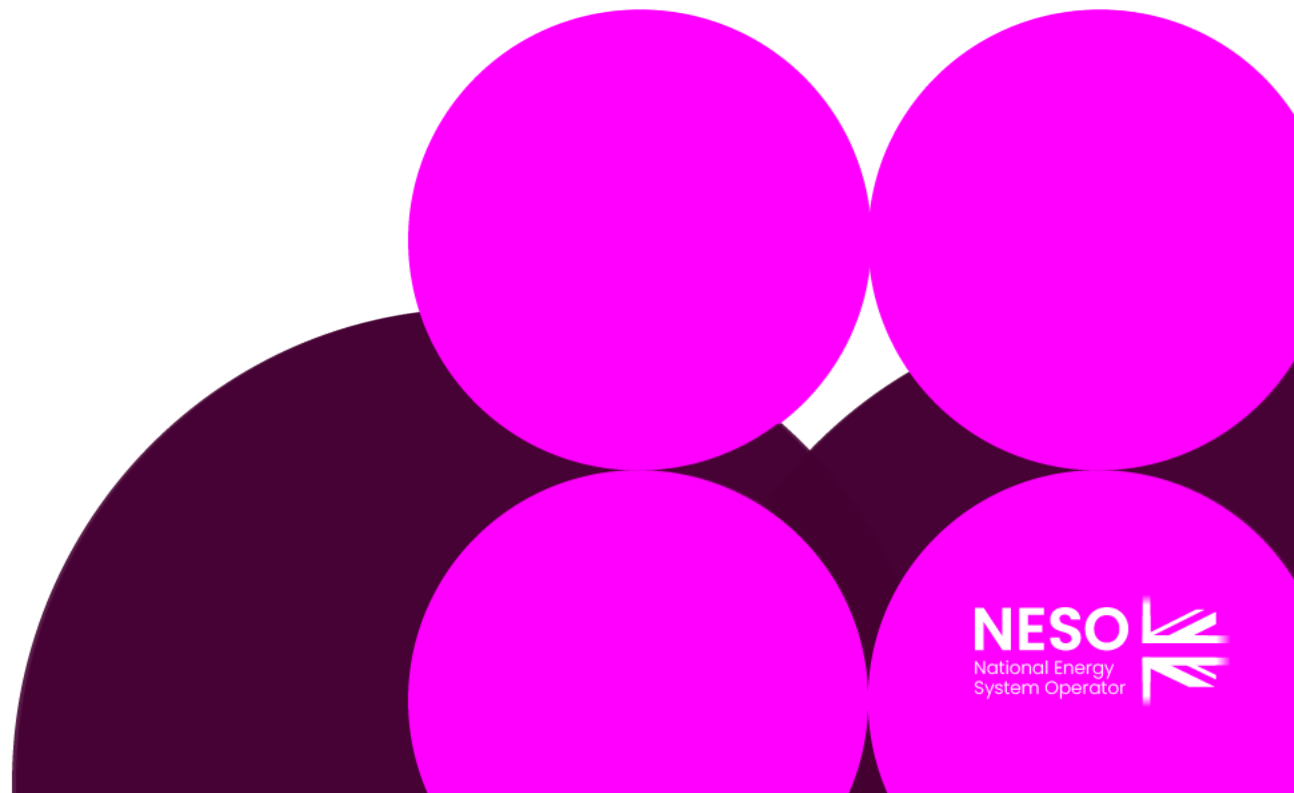
Agenda

| Topics to be discussed | Lead |
|----------------------------------|-------|
| Introduction | Chair |
| Outstanding Actions | Chair |
| CMP398 Claims Assessment Process | AH |
| Legal Text Review CMP456 | All |
| WACM1 Legal Text Review CMP456 | All |
| Workgroup Report Review | All |
| AOB | All |
| Next Steps | Chair |



Workgroup Responsibilities and Membership

Sarah Williams – NESO Code
Administrator



Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared – Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

Workgroup Membership – CMP456

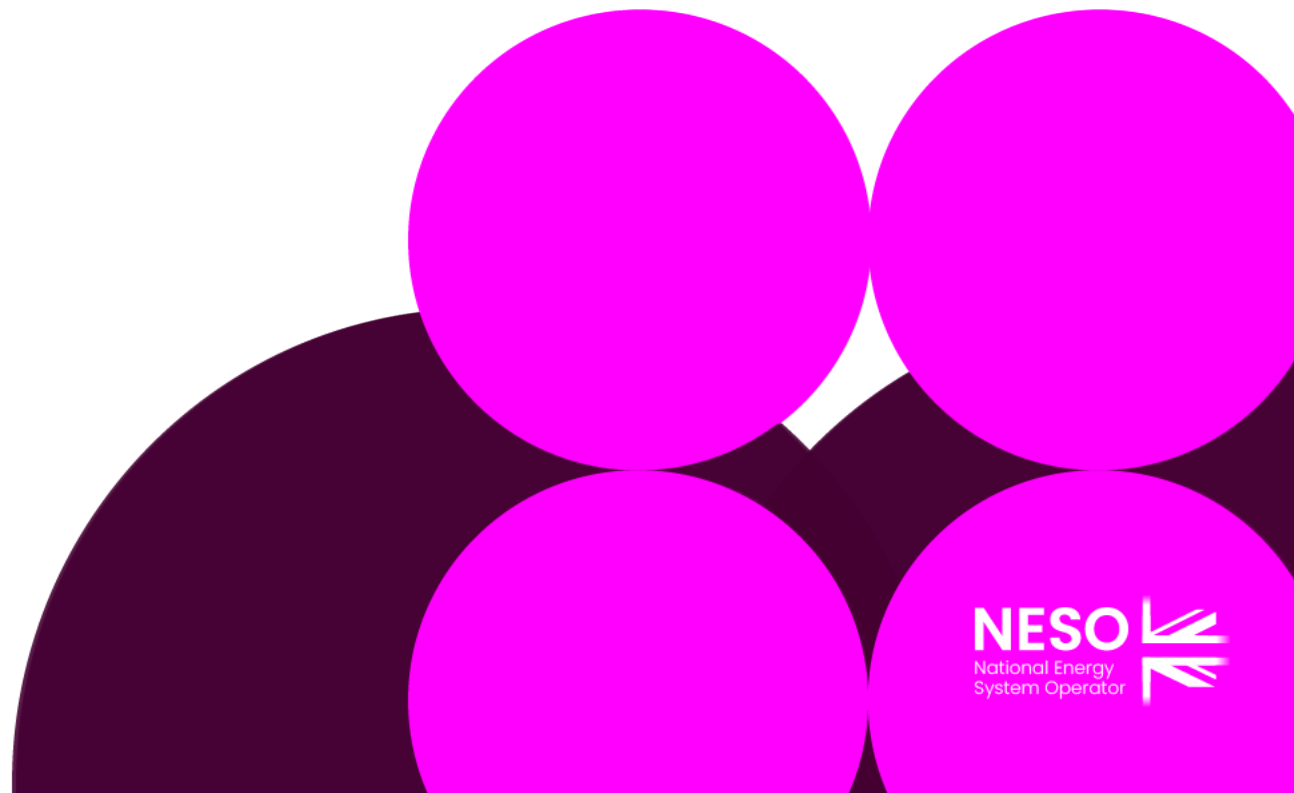
| Role | Name | Company |
|--------------------------|------------------|--|
| Proposer | Tim Ellingham | RWE |
| Workgroup Member | Caitlin Butchart | InterGen (Needs Schedule 1 confirmation) |
| Workgroup Member | Garth Garham | SSE Generation |
| Workgroup Member | Isaac Guitierrez | ScottishPower Renewables |
| Workgroup Member | Jack Purchase | NGED |
| Workgroup Member | Oliver Xing | Orsted |
| Workgroup Member | Paul Youngman | Drax |
| Workgroup Member | Ross Strachan | EDF-PS |
| Workgroup Member | Sean Gauton | Uniper |
| Workgroup Member | Utkarsh Agarwal | ESB Generation |
| Observer | Gopi Yericherla | NESO |
| Observer | Chris Smith | Natural Power Consultants Ltd |
| Authority Representative | Ghulam Haider | Ofgem |

Workgroup Membership – CMP466

| Role | Name | Company |
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| Proposer | Tim Ellingham | RWE |
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Timeline

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Administrator



Timeline for CMP456 and CMP466 as of 10 June 2026

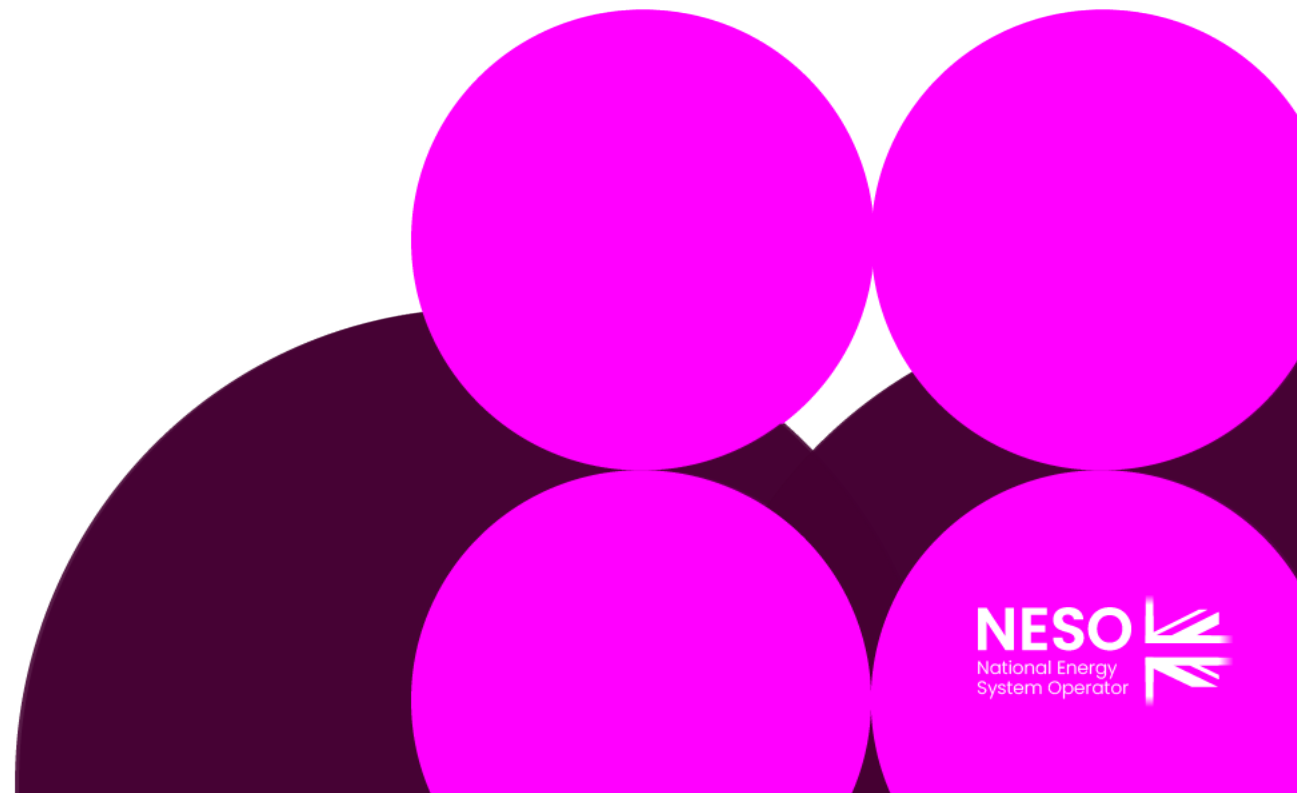
| Pre-Workgroup | | |
|-----------------------------|--------------------------|---|
| Proposal raised | 19/06/2025 | |
| Proposal submitted to Panel | 12/12/2025 | |
| Workgroup Nominations | 15/12/2025 to 08/01/2026 | |
| Urgency Decision | 16/01/2026 – Rejected | |
| Workgroups | | |
| Workgroup 1 | 25/02/2026 | Objectives and Timeline/Review and Agree Terms of Reference / Proposer presentation |
| Workgroup 2 | 18/03/2026 | Solution Development / Workgroup Discussions |
| Workgroup 3 | 23/04/2026 | Discussions on BSUoS / Workgroup Consultation Review |
| Workgroup Consultation | 29/04/2026 – 20/05/2026 | |
| Workgroup 4 | 26/05/2026 | Review of Workgroup Consultation Responses / Alternative Requests Discussion/Review Solution Position |
| Workgroup 5 | 10/06/2026 | Review the Original and WACMI Legal Text/Update on CMP466 |
| Workgroup 6 | 24/06/2026 | Review Workgroup Report/Alternative Requests Presentations and Vote (if required) |
| Workgroup 7 | 08/07/2026 | Final Workgroup Report Review / ToR Sign-off / Final Legal Text Review (WACMS legal text) |

Timeline for CMP456 and CMP466 as of 10 June 2026

| Post Workgroups | | Key info |
|--|--------------------------|----------|
| Workgroup Report submitted to Panel | 17/07/2026 | |
| Panel to agree whether ToR have been met | 31/07/2026 | |
| Code Administrator Consultation | 05/08/2026 to 26/08/2026 | |
| Draft Final Modification Report to Panel | 17/09/2026 | |
| Panel Recommendation Vote | 25/09/2026 | |
| Final Modification to Ofgem | 02/10/2026 | |
| Decision Date | TBC | |
| Implementation Date | TBC | |

Action Log Review

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Administrator

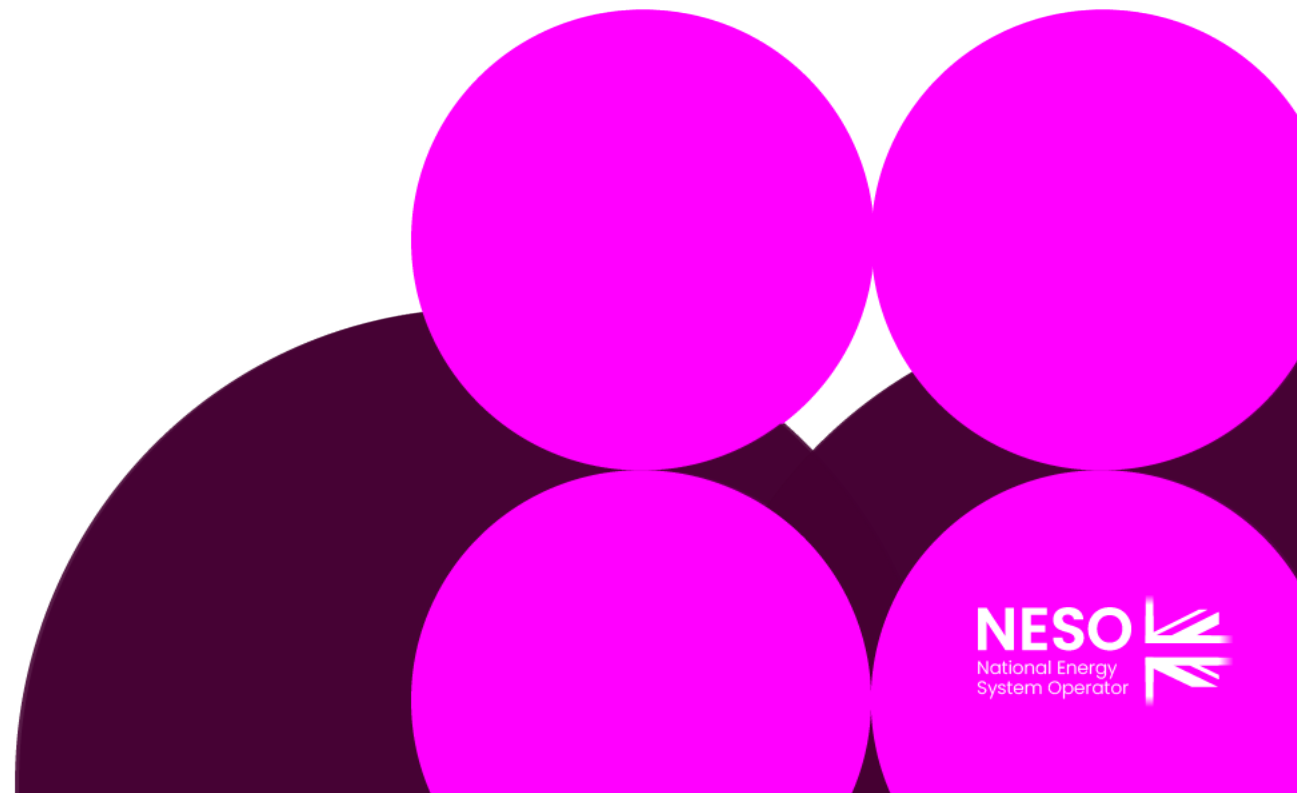


Outstanding actions

| Action number | Workgroup Raised | Owner | Action | Comment | Status |
|---------------|------------------|-------|--|--|------------------|
| 8 | WG2 | TE | Check previous models and share with the Workgroup | The Proposer confirmed they have been unable to locate the previous models to date and noted that doing so may raise sensitivities. It was agreed that the action would remain open while they consider appropriate next steps, including whether anonymised information could be sourced. | Ongoing |
| 14 | WG4 | TE | Review the potential removal of CMP466 offline, subject to further internal and legal confirmation. | Revised slides, gone to CUSC Panel | Propose to close |
| 15 | WG5 | JP | Review the latest legal text, engage with their legal team, and propose updated wording to reflect DNO/embedded customer scope | | Open |
| 16 | WG5 | AH | Seek internal confirmation on whether EMT model costs can be recovered via internal (BSUoS internal) mechanisms, and whether this can be shared publicly | This has now been confirmed, and email and revised slides have been sent to Workgroup members. | Propose to close |
| 17 | WG5 | TE | Consider the implications of the potential internal cost recovery route and decide whether to proceed with or withdraw CMP466 | As above | Propose to close |

Review Terms of Reference

Sarah Williams – NESO Code
Administrator



Terms of Reference –CMP456/466

Workgroup Term of Reference

- | |
|---|
| a) Consider EBR implications |
| b) Consider the Claims adjudication and how this is set up, what their scope and remit could be |
| c) Consider the interactions with GC0168 |
| d) Consider the process needed to agree the scope of works |

CMP398 Claims Assessment Process

Aishwarya Harsure

Overview

Two stage process:

Pre-claim stage (optional; note this is in the guidance note, but not in the mod's legal text)

- Providers can submit pre-claim information to NESO before incurring costs
- Used to sense-check whether proposed works are likely to be recoverable, noting any advice is non-binding at this stage
- May provide early feedback on whether the approach is likely to be considered compliant and proportionate, or whether alternative routes (e.g. derogation) may be more appropriate
- Costs are assessed against whether they are necessary, reasonable, efficiently incurred and proportionate, in line with legal text (applies across both stages)

Formal claims stage

- Claims submitted during defined annual 1-month claims windows
- Full supporting evidence required for costs

Key steps involved

Claims processes involves:

- Technical validation – did proposed works lead to GC156-compliance
- Cost/claims assessment – NESO reviews cost submissions; ensures the evidenced costs were necessary, reasonable, efficiently-incurred, and proportionate, and related to GC0156 compliance.
- Payment handling

Steps involved:

- Submission (pre-claim / formal claim)
- Parallel review: Technical assessment + Commercial (cost) assessment
- Clarifications (if required): Queries raised with provider
- Decision: Approve / challenge / derogation route
- Payment following claim approval – NESO raises Purchase Orders, Processes invoices, it's paid in 12-monthly instalments from the following April

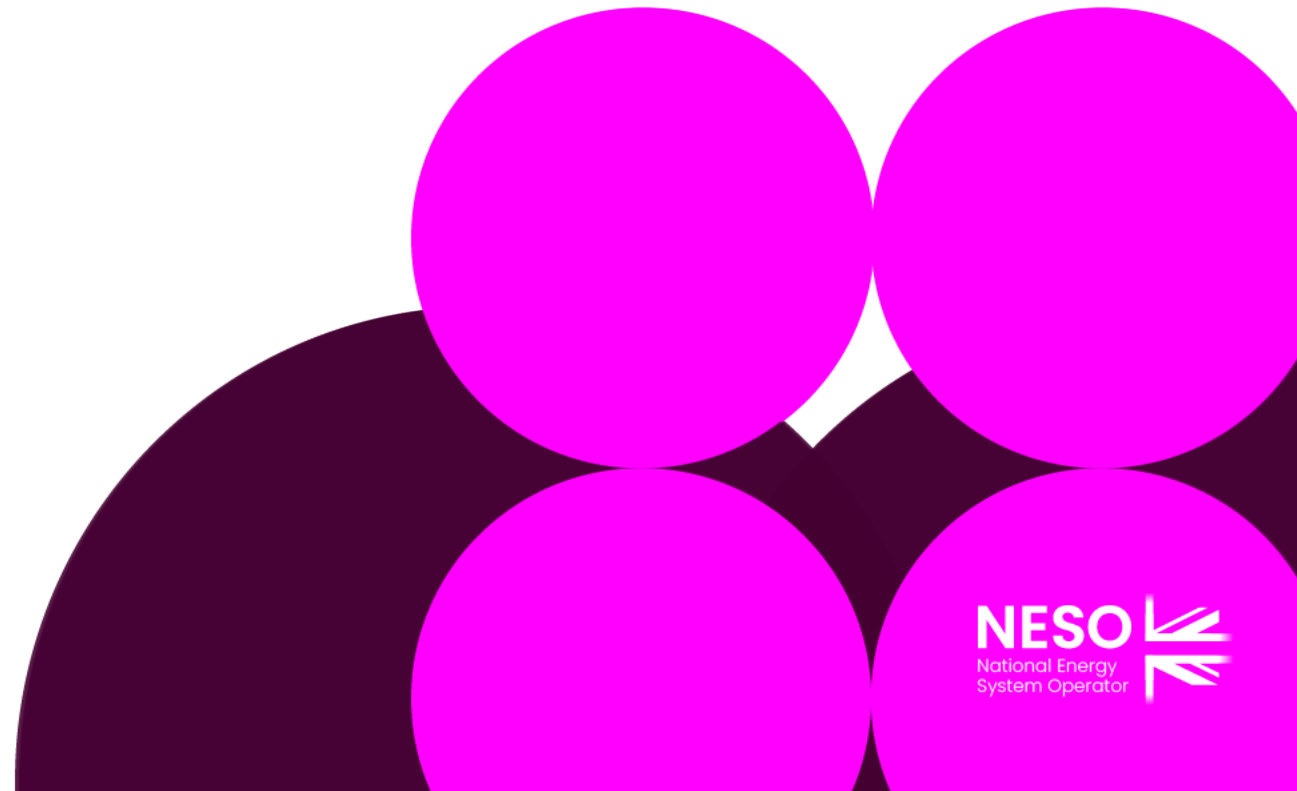
Evidence expectations

The key principle is that providers must demonstrate a cost-effective and justified approach:

- Justification for the chosen solution
- Evidence of alternatives considered
- Detailed cost breakdown
- Invoices from provider when the formal claim is submitted

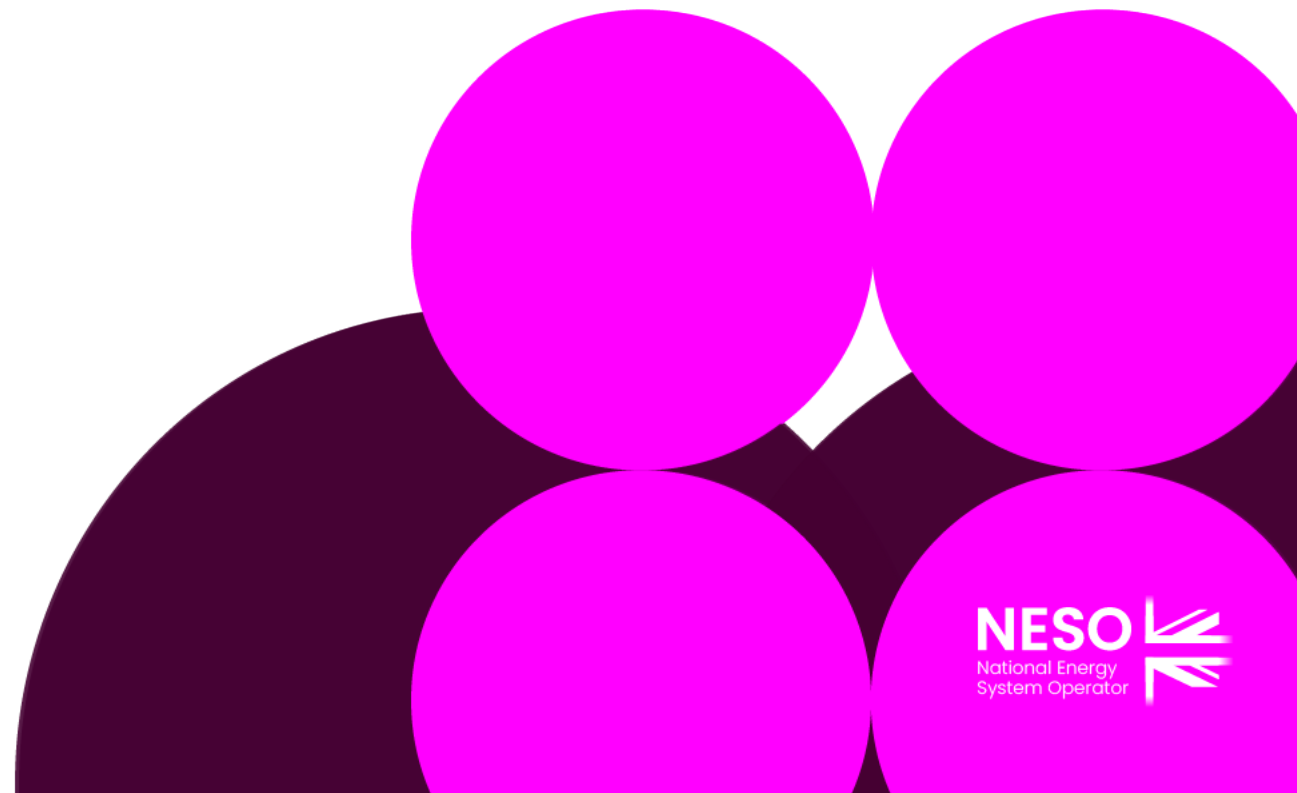
Legal Text Review CMP456

Aishwarya Harsure – NESO
Representative



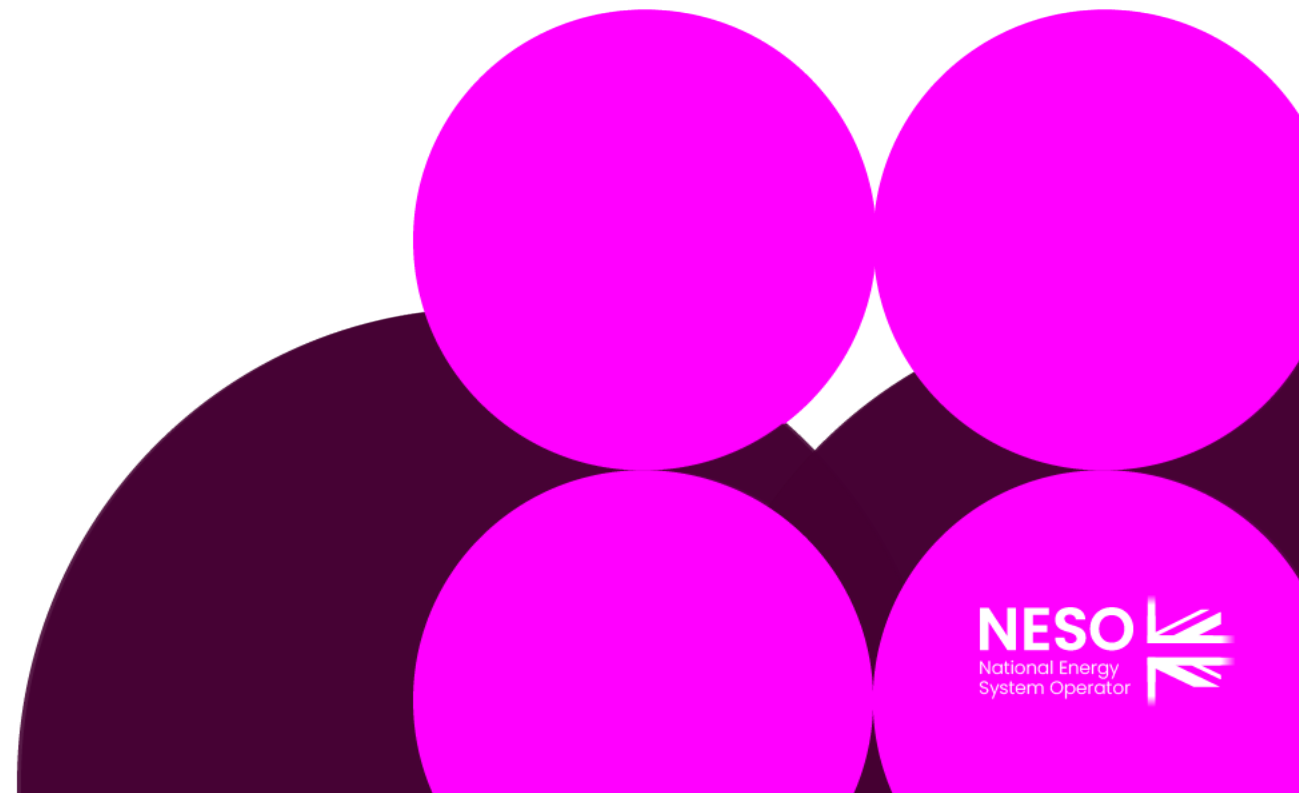
WACM1 Legal Text Review CMP456

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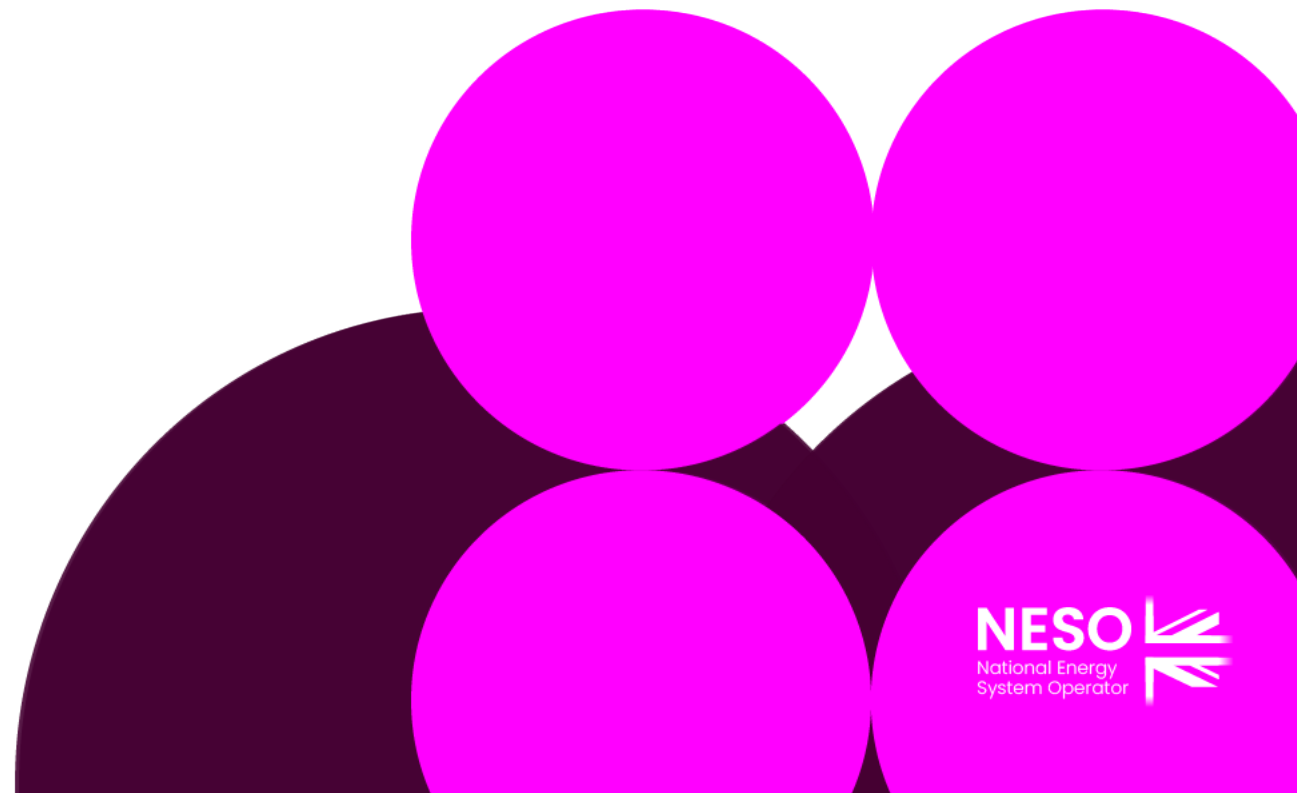
Workgroup Report Review CMP456

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Any Other Business

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Next Steps

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