

CMP423 Generation Weighted Reference Node

Workgroup 5 (01 May 2025)

Online Meeting via Teams

Agenda

#	Topics to be discussed	Lead
1.	Welcome and Expectations	Chair
2.	Objectives and Timeline	Chair
3.	Terms of Reference (c) Panel Response	Chair
4.	Analysis – Action 4 & 5	Dan Hickman
5.	Draft legal Text Update – Action 6	Niall Coyle
6.	Review Draft Workgroup Consultation – Action 7	All
7.	Actions update	Chair
8.	Any Other Business	Chair
9.	Next Steps	Chair

WELCOME

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)

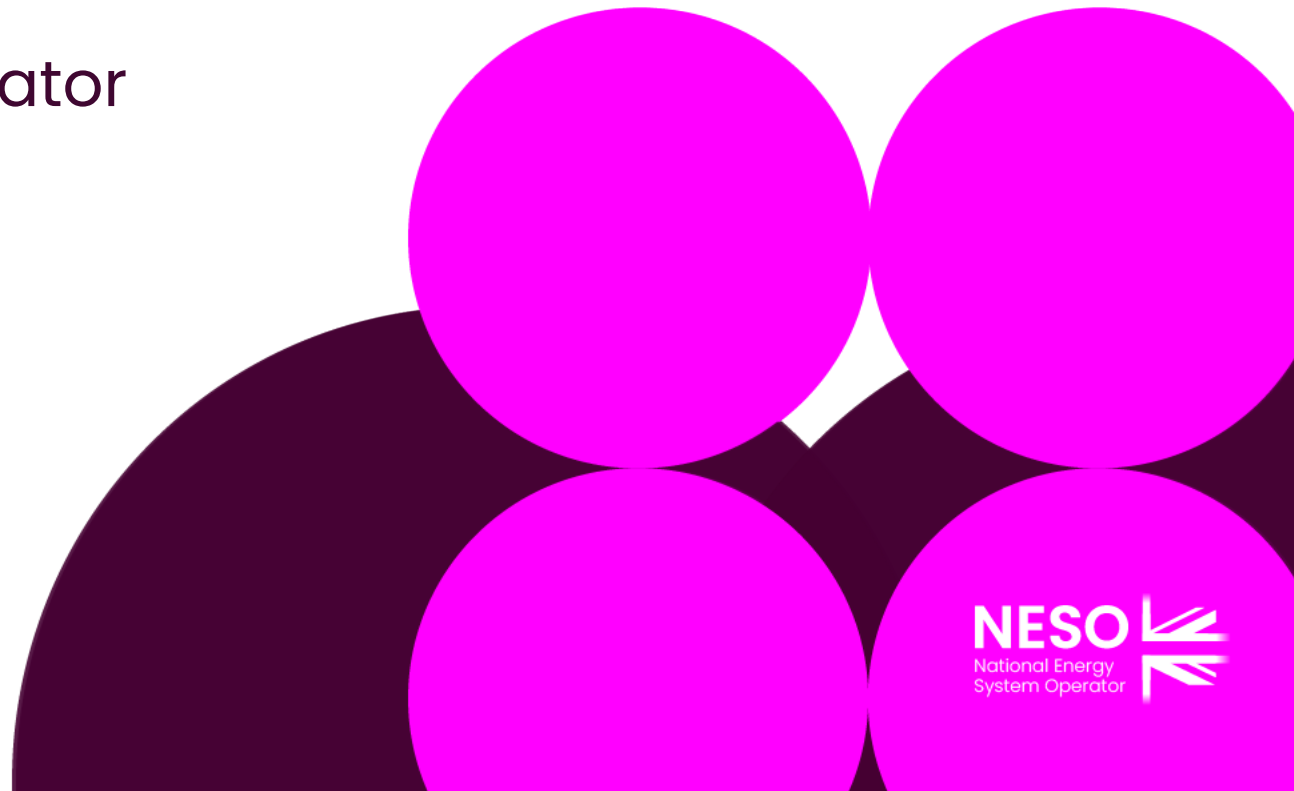
Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

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

Objectives and Timeline

Claire Goult – NESO Code Administrator



Timeline

Objectives

Review Worked Example

Discuss Proposer's legal text views

Review Terms of Reference

Workgroups	
CMP423 Workgroup 1	22/01/2024
CMP423 Workgroup 2	17/04/2024
CMP423 Workgroup 3	17/12/2024
CMP423 Workgroup 4	25/03/2025
CMP423 Workgroup 5	01/05/2025
CMP423 Workgroup 6	22/05/2025 PM*
CMP423 Workgroup Consultation	28/04/2025 – 21/05/2025
CMP423 Workgroup 7	29/05/2025
CMP423 Workgroup 8	17/06/2025
CMP423 Workgroup 9	10/07/2025
CMP423 Workgroup 10	05/08/2025
CMP423 Workgroup Report to Panel	18/09/2025
Post Workgroups	
CMP423 Code Administrator Consultation	09/10/2025 – 29/10/2025
CMP423 Draft Final Modification Report to Panel	18/11/2025
CMP423 Final Modification to Ofgem	09/12/2025
CMP423 Implementation Date	10 Business Days post Authority Decision

* Afternoon to avoid GCRP meeting

Terms of Reference (c)– Action 9

Claire Goult – NESO Code Administrator

CMP423 – Terms of Reference

Workgroup Term of Reference	
a)	Consider EBR implications
b)	Consider implications for the network sharing calculation in the Transport and Tariff model
c)	Consider potential locations for new generation such as via the TEC Register, seabed leasing, or other planning sources
d)	Consider the impact on tariffs that may arise from changes in the way circuits may be placed into either Peak Security and Year-Round buckets.
e)	Consider the impact on demand customers contribution from a different location signal especially those unable to react to those signals
f)	Consider interactions with other Task Force modifications
g)	Consider if the assumption that change in generation will displace generation elsewhere is an appropriate assumption now and in the future.
h)	Consider whether the reduction within generation charges approaches the euro floor in the limiting regulation and what would happen in that circumstance
i)	Consider the scope of work identified and whether this is achievable within the timeframe outlined in the Ofgem Urgency decision letter.

Terms of Reference (c) query

During Workgroup meeting 4 on 25 March, members asked for clarification around Terms of Reference (c). Does it mean where they are or the impact of potential locations or both?

ToR (c) – *Consider potential locations for new generation such as via the TEC Register, seabed leasing, or other planning sources.*

A request was made for CUSC Panel members to clarify the specific requirements for considering potential locations for new generation.

CUSC Panel member response

‘My interpretation of this term of reference is to consider where the new generation will be geographically located and the impact this will have on the CMP423 solution i.e. the Generation Weighted Reference Node.’

Analysis – Actions 4 & 5

Dan Hickman – NESO SME



Modification Interaction Analysis

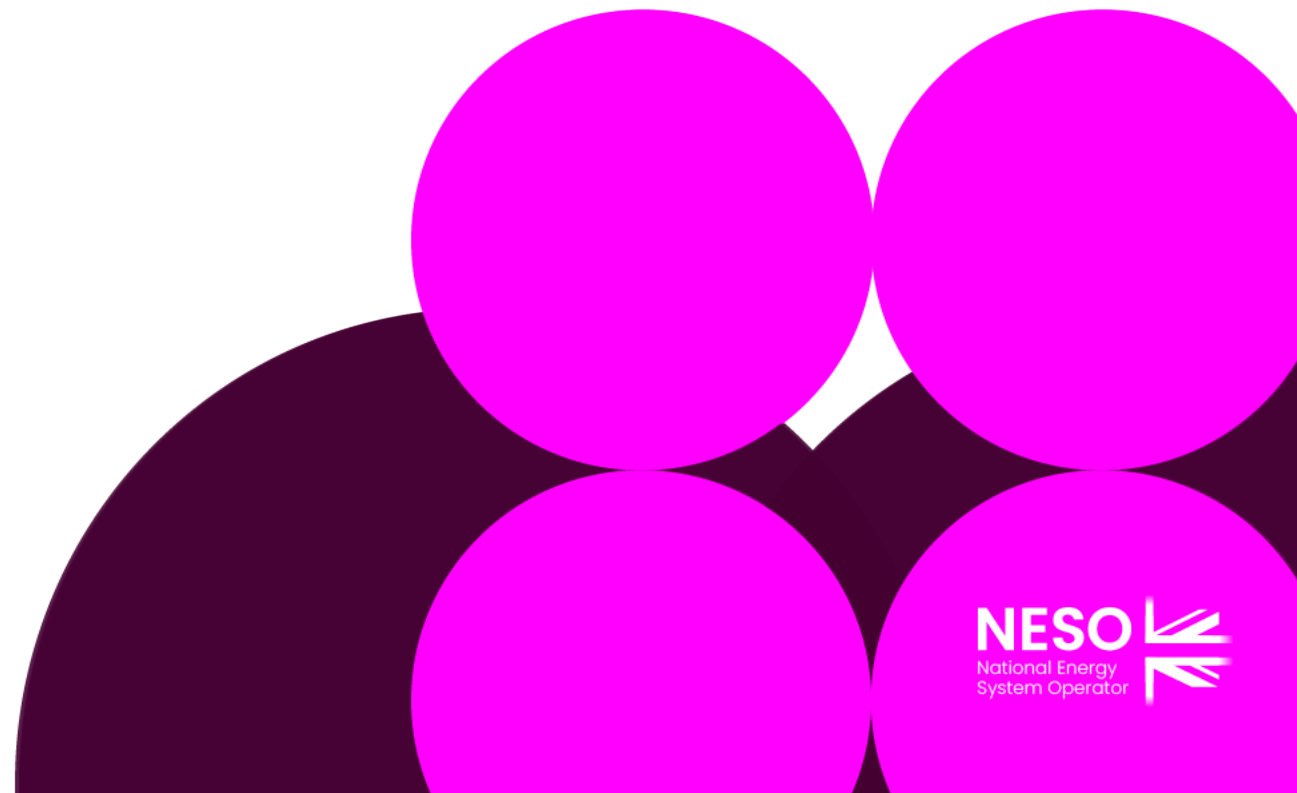
The spreadsheet shows the impact on Tariffs and the demand/generation revenue proportions of CMP423 in combination with following modifications.

- [CMP432: Improve “Locational Onshore Security Factor” for TNUoS Wider Tariffs](#)
- [CMP444: Introducing a cap and floor to wider generation TNUoS charges](#)
 - WACM 1
 - WACM 4
 - WACM 7

The example generator tariffs within the spreadsheet have a user adjustable ALF value to allow the impact on different types of generator at different locations to be seen.

Draft Legal Text Update – Action 6

Niall Coyle – NESO Representative



Draft Legal Text Suggestions

These suggested changes include:

- There is one paragraph where the modification will have effect, which determines the way charges are calculated: 14.15.27
- Another paragraph determines how local charges are calculated. I hadn't realised this was a separate paragraph, so this will need updated to reflect generation weighted reference node as well: 14.15.29 (although I found the Baseline text a bit unclear)
- There is the paragraph relating to updating the connectivity diagram, which we discussed before, which I have updated to refer to reviewing connectivity in the event of a new mod and to reflect the centre of generation with a generation weighted reference node: 14.15.52
- Updated text in the worked examples in 14.21 to 14.24. These sections have no legal effect on the charging methodology and are only there for illustrative purposes for explanation. Unfortunately, these worked examples are already wrong and 10 years out of date, because they do not even reflect the baseline distributed demand node, but instead reflect the methodology pre-TransmiT (CMP213) when there was a single reference node. Suggest it would be easier to delete this whole worked example section from the CUSC (we had the same problem in the Security Factor modification) and put an updated version in a separate guidance note instead. However, if we wanted to keep these worked examples in the CUSC, then the examples will need to be updated to reflect a generation weighted reference node

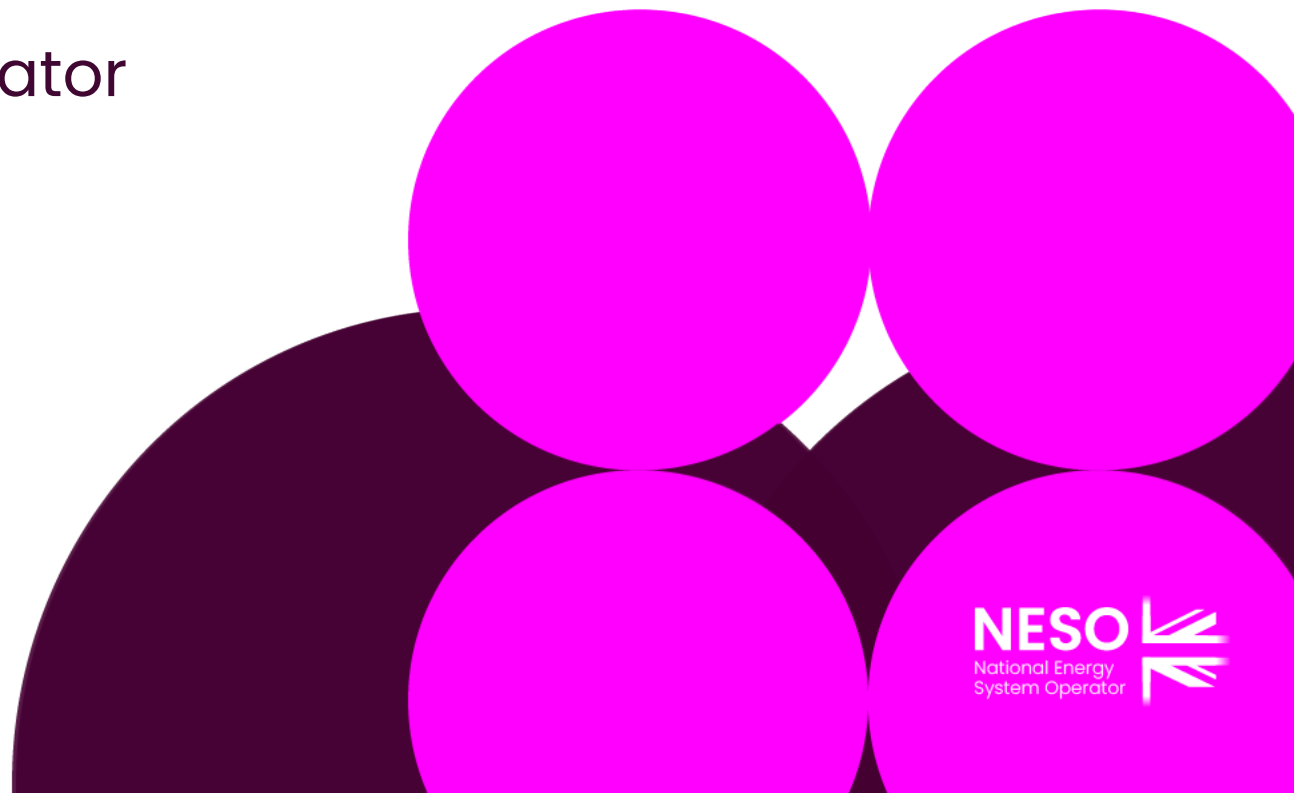
Action Update

CMP423 Actions Review

Action Number	Workgroup Raised	Owner	Action	Due by	Status	Latest
1	WG3	DH	Analysing the impact of the proposed changes on different technologies and locations	WG4	Closed	Spreadsheet circulated and presented WG4
2	WG3	JT	Review and suggest amendments to Section 14.15.52 to support the proposal	WG4	Closed	Initial thoughts provided by Proposer and circulated
3	WG3	DH	Prepare an analysis of impact proposed data of tariffs on later years to understand comparisons for NESO to look at the differences in flow	WG4	Closed	Spreadsheet circulated and presented WG4
4	WG4	DH	Analysis to include output tariffs for CMP423 combined with other CMP444 WACMs, beyond just WACM 1.	TBC	Propose to close	
5	WG4	DH	Analysis on interaction with CMP432 Original	TBC	Propose to close	
6	WG4	NC	NESO legal team to review legal text suggestions and consider comments from CMP423 related to the worked examples (Section 14.21)	TBC	Propose to close	
7	WG4	CG	Evaluate the current timeline leading up to the Workgroup Report and circulate a new draft to Workgroup members	TBC	Open	
8	WG4	CG	Draft and circulate the Workgroup Consultation document	TBC	Propose to close	
9	WG4	CG	Question for CUSC Panel – Clarification of what is meant by Terms of Reference (c)	TBC	Propose to close	Reached out to the CUSC Panel Secretary who will send an email to Panel members for clarification.

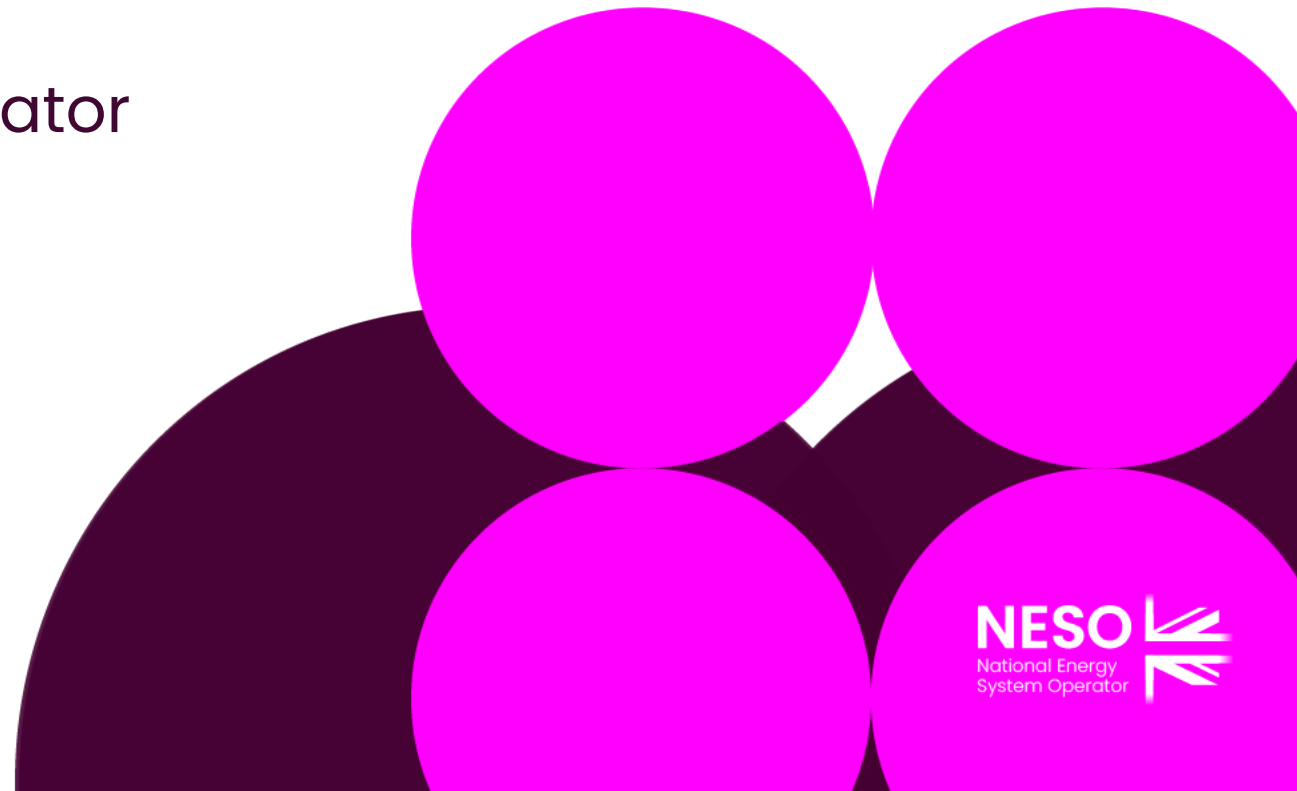
Any Other Business

Claire Gault – NESO Code Administrator



Next Steps

Claire Gault – NESO Code Administrator



Timeline

Objectives

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Appendix

Workgroup Membership

Role	Name	Company	Alternate
Chair	Claire Goult	NESO	
Tech Sec	Andrew Hemus	NESO	
Proposer	John Tindal	SSE	Damian Clough
Workgroup Member	Niall Coyle	NESO	Paul Mott
Workgroup Member	Ryan Ward	Scottish Power Renewables	Joe Dunn/Hector Perez
Workgroup Member	Robin Dunne	Intergen UK	Ben Butler
Workgroup Member	Robert Longden	Enco Energy Trade	
Workgroup Member	Tom Steward	RWE	Lauren Jauss
Workgroup Member	Dennis Gowland	Research Relay Ltd	John Morgan
Workgroup Member	Simon Lord	Engie	Andrew Rimmer
Workgroup Member	Gregory Edwards	Centrica	James Knight
Workgroup Member	Graham Pannel	BayWa r.e	Jonathan Oguntola
Workgroup Member	Nick Sillito	Peakgen	
Workgroup Member	Nicolas Lescal	Ocean Winds	Giulia Licocci
Workgroup Member	Paul Youngman	Drax	Joshua Logan
Workgroup Member	Binoy Dharsi	EDFR	Glenn Smith

Workgroup Membership

Role	Name	Company	Alternate
Subject Matter Expert	Dan Hickman	NESO	
Workgroup Observer	William Maidment	Ventient Energy	
Workgroup Observer	Alan Kelly	Corio Generation	
Workgroup Observer	Faiva Wadawasina	Bellrock offshore Windfarm Limited/Broadshore Offshore Windfarm limited	Barney Cowin
Workgroup Observer	Archie Campbell	Zenobe	Tom Palmer
Workgroup Observer	Chia Nwajagu	Ørsted	David Wellard
Observer	Sally Ann Young	SSE	
Observer	Jess Rivalland	NESO	
Observer	Nina Sharma	Drax	
Authority Representative	Shannon Murray	Ofgem	