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# Code Administrator Meeting

## Summary

### Workgroup Meeting 9: CMP448 Introducing a Progression Commitment Fee to the Gate 2 Connections Queue

**Date:** 12/05/2025

#### Contact Details

Chair: Joseph Henry, [joseph.henry2@nationalenergyso.com](mailto:joseph.henry2@nationalenergyso.com)

Proposer: Ash Adams, [ashley.adams2@nationalenergyso.com](mailto:ashley.adams2@nationalenergyso.com)

#### Key areas of discussion

The Chair outlined the meeting agenda, which included a review of the query and action log, discussing updated positions from the Proposer, reviewing the additional alternative request proposal and planning for the next Workgroup meeting.

#### Action Log

The Workgroup reviewed the actions and query log and discussed the following updates:

- The Proposed provided clarification on the new regime, which will be addressed in Workgroup 10.
- The Proposed confirmed that the query regarding M1 termination, which is still awaiting an answer from internal colleagues, however, will not be included in the trigger metric.

#### Query Log

The Workgroup reviewed the query log, addressing updates on queue management milestones, scope discussion, and other pending queries. The Proposer confirmed that the queue management guidance note had been updated, allowing this query to be closed. They also mentioned that the position had changed with the exemption for projects of less than six months to M1, which closed this query. However, the Proposer noted that there were still pending queries related to grants and safeguarding, which would be updated by the next Workgroup meeting.

#### Finance Assumptions

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The Workgroup discussed the credibility of the finance assumptions used in the safeguarding analysis, with a Workgroup member questioning the accuracy of the presented numbers and suggesting they might not reflect the actual costs developers would face for funding the PCF. The Proposer explained that the range of 4% to 14% in financing assumptions was considered reasonable but was open to expanding if necessary. The Proposer also mentioned that they were willing to present more numbers if the Workgroup found value in it. A Workgroup member emphasised the importance of accuracy and optics, suggesting that the current numbers might be lower than what most developers would face and recommended revising the slide accordingly.

## Safeguarding Clarification

The Workgroup discussed the term "safeguarding" and its implications, agreeing that the term may be misleading and should be reconsidered. A Workgroup member expressed concern that "safeguarding" implied protection against unintended consequences, which was not the case. The Proposer agreed to reframe the slides to remove the term "safeguarding" and provide a more accurate description of the analysis.

## Hybrid Projects – Scenarios

The Proposer presented scenarios for hybrid projects and their treatment in different situations. In Scenario 1, if one technology drops out or fails milestone one, the PCF will be collected for the reduced amount, and the remaining part will be treated as pre-milestone one. In Scenario 2, if one technology passes milestone one but the other hasn't, the PCF will apply to the whole stage until all technologies pass milestone one. In Scenario 3, if one technology passes milestone one and the other drops out without reducing the tech, there will be no PCF charge, and the need to securitise will fall away. Workgroup members suggested clarifying the evidence needed to demonstrate a technology has dropped out to avoid confusion between scenarios two and three.

## Proposers Updated Proposal

The Proposer presented their updated proposal, highlighting changes in the trigger threshold, scope, and collection process, as well as differences between the original proposal and the WACMS. The trigger threshold was updated to 6.5GW to offset the removal of replacements from the trigger metric. Projects with less than six months to milestone one would be out of scope for the PCF, and the PCF security would be embedded within existing processes and timelines. WACMI introduces a six-month grace period and a reduced PCF rate, increasing in increments of £250 per MW over two

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years, up to a maximum of £1000 per MW. WACM2 applies a 75% discount to the PCF value for self-terminations occurring at least 90 days before the M1 date.

## Alternative Proposal

A Workgroup member presented their alternate proposal focusing on the trigger mechanism, risk level, and incentives for good behaviour. The proposal suggested that the PCF should start at £100 per MW five years from the M1 date, increasing every six months and capped at £10,000 per MW. They advised that the PCF should reflect the inverse of a normal project risk profile. To encourage good behaviour, the alternative proposal suggests a discount for developers who self-select out of the queue more than six months before the M1 date. Additionally, the PCF should be net of Section 15 securities, meaning developers would only need to post the balance if the PCF value exceeds their existing securities. Workgroup members provided feedback, including clarifying the evidence needed for technology dropouts and considering the administrative burden for small projects. As such, the Chair decided to postpone the vote on the alternate proposal due to the need for further clarification and updates.

## Next Steps

- The next Workgroup meeting will be held on 14 May which will include a review of legal text, alternative vote and drafting the Workgroup report, and the final Workgroup vote will take place on 27 May.

## Actions

For the full action log, click [here](#).

4	WG1	AA	NESO to clarify if the new regime will be reflected and operated through the connection portal.	WG10	Open
8	WG2	AA	Produce further scenarios on when the PCF is triggered and the timeframe between the acceptance signature and the counter signature	WG9	Open
15	WG6	JH	To revisit slide 10 of the pack, adjust and clarify with Workgroup.	WG9	Open
24	WG7	AA	NESO to provide consumer impact analysis in line with Query No 22.	WG10	Open

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## Attendees

Name	Initial	Company	Role
Joe Henry	JH	NESO	Chair
Ren Walker	RW	NESO	Tech Sec
Ash Adams	AA	NESO	Proposer
Andrew Allan	AAL	RWE	Workgroup Member
			Workgroup Member
Amy - Isabella Wells	AIW	NGET	Member
	AE		Workgroup Member
Andrew Enzor		Field Energy	Member
Andrew Yates	AY	Statkraft	Workgroup Member
	BH		Workgroup Member
Brian Hoy		ENWL	Member
		RWE Supply and Trading GmbH	Workgroup Member
Claire Hynes	CH		Workgroup Member
Rosemary McInness	RMI	ScottishPower Renewables	Alternate
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
			Workgroup Alternate
Andy Colley	AC	SSE Generation	Workgroup Member
Gareth Williams	GW	SP Energy Networks	Member
Grant Rogers	GR	Qualitas Energy	Workgroup Member
Grahame Neale	GN	Lightsource BP	Workgroup Member
			Workgroup Member
Helen Stack	HS	Centrica	Member
Jack Purchase	JP	NGED	Workgroup Member
			Workgroup Member
Jamie McDougall	JMD	SP Energy Networks	Member
James Jackson	JJ	Orsted	Workgroup Member

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Joe Colebrook	JC	Innova	Workgroup Member
Nina Sanghera	NS	Drax	Workgroup Member
Robin Prince	RP	Island Green Power	Workgroup Member
Rob Smith	RS	ENSO Energy	Workgroup Member
Charles Williams	CW	Wind2	Workgroup Observer
Euan Norrington	EN	SSE Renewables	Workgroup Observer
Kyle Smith	KS	Energy Networks	Workgroup Observer
Jamie Hardy	JH	Accenture	SME
Danieel Ffrench Mullen	DFM	Ofgem	Authority Representative