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Code Administrator Meeting

Summary

Workgroup Meeting 10: CMP448 Introducing a Progression Commitment Fee to the Gate 2 Connections Queue

Date: 14/05/2025

Contact Details

Chair: Joseph Henry, joseph.henry2@nationalenergyso.com

Proposer: Ash Adams, 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 Island Green Power Alternative Proposal, Alternative vote, review the draft legal text and planning for the next Workgroup meeting.

Action and Query Log

The Chair confirmed that the action and query log would be reviewed at the next Workgroup meeting due to the short turnaround between this Workgroup and the previous Workgroup meeting.

Island Green Power Alternative Proposal

The Proposer of this alternative provided the Workgroup with updated slides on the alternate proposal following feedback from Workgroup members. They explained the following points, the PCF activation and calculation process, detailing the initial payment starting at £100 per MW, subsequent increases at each Section 15 security date, and the cap on the total PCF value at £10,000 per MW. They provided technical details on the alternative proposal, including the rationale behind certain decisions and the expected impact on the project.

The Proposer of the alternative proposal discussed the PCF security, good behaviour reward, and netting of securities, explaining that the PCF is an additional payment to encourage timely project progress. Projects demonstrating good behaviour by leaving the queue with more than six months left to their M1 dates would receive a 50% discount on the final PCF payment. The PCF security posted would be net of other securities already paid.

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Alternative Vote

The Chair outlined the voting process on alternatives to the Workgroup. Workgroup held their vote on the alternative proposal. This proposal did not receive a majority and was not saved by the Workgroup Chair who provided their rationale on why they did not save this, explaining that it would make the Proposers Original solution less likely to achieve the Applicable CUSC Objectives.

Legal Text Review

The NESO legal representative attended the Workgroup to discuss the proposed changes to the legal text for CMP448. The SME detailed the PCF activation process, explaining that NESO would calculate and publish the PCF activation metric twice each financial year, with specific dates to be finalised.

NESO would also determine whether the PCF should be activated within one month of publishing the activation metric, followed by a notification to Ofgem. Ofgem would then have two months to decide on the activation, considering NESO's determination. The PCF activation date would be set at least three months after Ofgem's determination or the end of the determination period if Ofgem does not make a decision.

The Proposer discussed the information sharing requirements with DNOs to support the PCF activation and calculation. DNOs would need to provide cumulative megawatts of terminated projects or those failing to meet milestone one to NESO twice a year before PCF activation, and monthly updates on projects meeting milestone one, terminations, and reductions in capacity post-activation. DNOs must provide the required information in a specified format and respond promptly to any reasonable requests for further clarification from NESO.

A Workgroup member raised a question about the cancellation charge profile, expressing concerns about potential confusion for developers regarding total liability. The Proposer acknowledged the need for further discussion on the matter to clarify this.

The Workgroup discussed the proposed changes in detail and as such, the following updates were agreed on the legal text by the Workgroup:

- **PCF Activation Metric Definition:** Review and clarify the definition of "PCF activation metric" to ensure it accurately reflects the intended scope and excludes self-selected projects.
- **PCF Activation Date Wording:** Revise the wording in the legal text to ensure clarity regarding the PCF activation date and its implications.

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- **Legal Text Simplification:** Simplify the legal text in paragraph 3.2a to improve readability and clarity regarding the calculation of the cancellation charge secured amount.
- **PCF Activation Threshold Reset:** Add wording to the legal text to describe the process for resetting the PCF activation threshold and re-evaluating it for each five-year period.

Draft Workgroup Report Review

The Chair outlined the plan for drafting and sharing the Workgroup report, stating that the initial draft would be shared with opportunities for feedback before finalising the report at the next meeting.

Next Steps

- The next Workgroup meeting will be held on 19 May which will include a review of legal text and Workgroup report.

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

Attendees

Name	Initial	Company	Role
Joe Henry	JH	NESO	Chair
Ren Walker	RW	NESO	Tech Sec

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Ash Adams	AA	NESO	Proposer
Andrew Allan	AAL	RWE	Workgroup Member
Amy - Isabella Wells	AIW	NGET	Workgroup Member
Andrew Enzor	AE	Field Energy	Workgroup Member
Andrew Yates	AY	Statkraft	Workgroup Member
Brian Hoy	BH	ENWL	Workgroup Member
Claire Hynes	CH	RWE Supply and Trading GmbH	Workgroup Member
Rosemary McInness	RMI	ScottishPower Renewables	Workgroup Alternate
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Andy Colley	AC	SSE Generation	Workgroup Alternate
Gareth Williams	GW	SP Energy Networks	Workgroup Member
Grant Rogers	GR	Qualitas Energy	Workgroup Member
Grahame Neale	GN	Lightsource BP	Workgroup Member
Helen Stack	HS	Centrica	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member
Jamie McDougall	JMD	SP Energy Networks	Workgroup Member
James Jackson	JJ	Orsted	Workgroup Member
Joe Colebrook	JC	Innova	Workgroup Member
Nina Sanghera	NS	Drax	Workgroup Member
Robin Prince	RP	Island Green Power	Workgroup Member

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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