

CMP447: Removal of designated strategic works from cancellation charges/securitisation

Workgroup 2, 26 June 2025

Online Meeting via Teams

WELCOME

Agenda

Topics to be discussed	Lead
Welcome	Chair
Action Log Review	Chair
Proposer's presentation	Proposer
Review Legal Text	All
Any Other Business	Chair
Next Steps	Chair

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

Role	Name	Company
Proposer	Harvey Takhar	NESO
Workgroup Member	Alan Kelly	Corio Generation
Workgroup Member	Als Scrope	Northland Power
Workgroup Member	Barney Cowin	Blue Float
Workgroup Member	Calum Duff	Bowdun Offshore Wind Farm
Workgroup Member	Calum MacDonald	Point and Sandwick Trust
Workgroup Member	Ciaran Fitzgerald	Scottish Power Renewables
Workgroup Member	Charles Yates	Muir Mhor Offshore Wind Farm Ltd
Workgroup Member	Damian Clough	SSE
Workgroup Member	Dennis Gowland	Research Relay Ltd
Workgroup Member	Glenn Smith	EDF Energy Renewables
Workgroup Member	Joe Colebrook	Innova
Workgroup Member	Kirsty Dawson	Statkraft

Workgroup Membership

Role	Name	Company
Workgroup Member	Kyle Murchie	Roadnight Taylor
Workgroup Member	Lenka Peskova	ESB Generation and Trading
Workgroup Member	Matthew Dowds	Muirhall Energy
Workgroup Member	Neil Bennett	SSEN Transmission
Workgroup Member	Patrick Smart	RES UK & IRELAND LIMITED
Workgroup Member	Paul Youngman	Drax
Workgroup Member	Richard Blanchfield	Talisk-Magnora Offshore Wind Ltd
Workgroup Member	Sam Aitchison	Island Green Power
Workgroup Member	Tim Ellingham	RWE
Workgroup Observer	Gareth Williams	SPEN
Workgroup Observer	Holly Thomas	Scottish Renewables
Workgroup Observer	Iwan Watkin	Jacobs
Authority Representative	Christopher Patrick	Ofgem

What is the Alternative Request?

What is an Alternative Request? The formal starting point for a Workgroup Alternative Modification to be developed which can be raised up until the Workgroup Vote.

What do I need to include in my Alternative Request form? The requirements are the same for a Modification Proposal you need to articulate in writing:

- a description (in reasonable but not excessive detail) of the issue or defect which the proposal seeks to address compared to the current proposed solution(s);
- the reasons why you believe that the proposed alternative request would better facilitate the Applicable Objectives compared with the current proposed solution(s) together with background information;
- where possible, an indication of those parts of the Code which would need amending in order to give effect to (and/or would otherwise be affected by) the proposed alternative request and an indication of the impacts of those amendments or effects; and
- where possible, an indication of the impact of the proposed alternative request on relevant computer systems and processes.

How do Alternative Requests become formal Workgroup Alternative Modifications? The Workgroup will carry out a Vote on Alternatives Requests. If the majority of the Workgroup members or the Workgroup Chair believe the Alternative Request will better facilitate the Applicable Objectives than the current proposed solution(s), the Workgroup will develop it as a Workgroup Alternative Modification.

Who develops the legal text for Workgroup Alternative Modifications? NESO will assist Proposers and Workgroups with the production of draft legal text once a clear solution has been developed to support discussion and understanding of the Workgroup Alternative Modifications.

CMP447 Urgent Timeline as of 13 June 2025

Milestone	Date	Milestone	Date
Modification presented to Panel (Urgency request)	09 June 2025	Code Administrator Consultation (10 Business Days)	19 September – 03 October 2025
Further Workgroup Nominations (5 Business Days)	09 June – 16 June 2025	Draft Final Modification Report (DFMR) issued to Panel (3 Business Days)	09 October 2025
Ofgem grant Urgency	13 June 2025 (5pm)	Panel undertake Recommendation Vote	15 October 2025
Workgroup 1 – 5	20 June 2025 26 June 2025 03 July 2025 10 July 2025 17 July 2025	Final Modification Report issued to Panel to check votes recorded correctly	15 October 2025
Workgroup Consultation (10 Business Days)	21 July – 04 August 2025	Final Modification Report issued to Ofgem	15 October 2025
Workgroup 6 – 10 – Assess Workgroup Consultation Responses and Workgroup Vote	12 August 2025 18 August 2025 28 August 2025 02 September 2025 08 September 2025	Ofgem decision	December 2025
Workgroup report issued to Panel (3 Business Days)	12 September 2025	Implementation Date	10 Business days after Authority decision
Panel sign off that Workgroup Report has met its Terms of Reference	18 September 2025		

CMP447 – Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Consider EBR implications	
b) Consider timing and process for implementation with regard to ongoing Connection Reform	
c) Consider if a wider approach that takes account to works designated by GEMA might be suitable.	
d) Consider the provision of anonymised data/ worked examples	

Action Log Review

Sarah Williams – NESO Code
Administrator

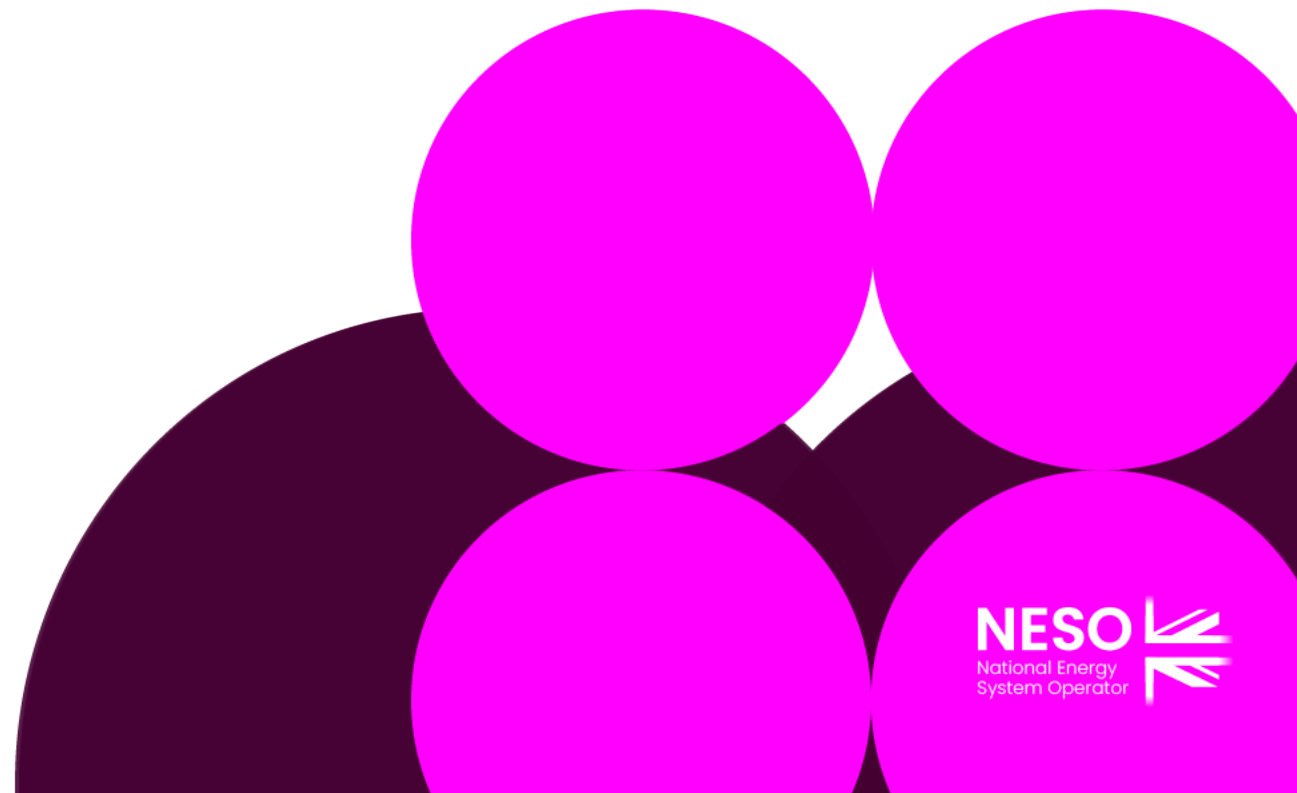


Action Log

Action	Description	Owner	Due	Status
1	Provide a worked example to assist Workgroup members with understanding the details and potential impact of this modification	HT	WG2	Open
2	Provide a definition of attributable works and non-attributable works to ensure clarity among the group.	HT	WG2	Open
3	Provide a detailed presentation on where CMP447 fits within the context of other modifications and the gaps it aims to fill	HT	WG2	Open
4	Work with the NESO legal team to develop the draft legal text based on feedback received during the meeting and share it with Workgroup members as soon as possible	HT	WG2	Open
5	Work with the NESO Connections Team to clarify whether the works removed from attributable works under CMP447 will be included in the zonal wider works cancellation charge	HT	WG2	Open

Proposer's Presentation

Harvey Takhar – NESO



Definitions

Attributable Works are defined in CUSC section 11:

“Those components of the Construction Works which are required (a) to connect a Power Station or Interconnector which is to be connected at a Connection Site to the nearest suitable MITS Node; or (b) in respect of an Embedded Power Station from the relevant Grid Supply Point to the nearest suitable MITS Node; (and in any case above where the Construction Works include a Transmission substation that once constructed will become the MITS Node, the Attributable Works will include such Transmission substation) but excluding in each case (a) and (b) any [Excepted Works], and which in relation to a particular User are as specified in its Construction Agreement;

Wider Cancellation Charge defined in CUSC section 11

“ a component of the Cancellation Charge that applies on and after the Trigger Date as more particularly described in Part Two of the User Commitment Methodology

S15 The Zonal Unit Amount is a £/MW figure calculated by reference to the Generation Zone in which the Power Station or Interconnector is to be located as set out in the Cancellation Charge Statement. It is calculated by reference to the Annual Wider Cancellation Charge Statement for the Financial Year in question.

Context against previous modifications

1. CMP428 is in force, identified this issue in relation to the offshore network Holistic Network Design (HND), allowing removal of relevant costs from relevant generators' attributable works. To do this it introduced a new concept of "excluded works".
2. CM094 (An STC mod which was not approved) raised proposing to do a similar thing, but in relation to ASTI and LOTI works. Instead of giving effect to the desired change within the CUSC, CM094 sought to make changes outside the CUSC. The definition of "excluded works" within the CUSC would have only had the CMP428 text.
3. CMP447 addresses the defect that some Users are providing unnecessary securities by expanding on CMP428 to include "other works" as designated by Ofgem

Legal Text Review

Paul Mott – NESO



Any Other Business

Sarah Williams – NESO Code
Administrator



Next Steps

Sarah Williams – NESO Code
Administrator

