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Code Administrator Meeting

Summary

Workgroup Meeting 7: CMP423 Generation Weighted Reference Node

Date: 10/07/25

Contact Details

Chair: Claire Gault, claire.gault@neso.energy

Proposer: John Tindal, John.Tindal@sse.com

Key areas of discussion

Meeting Objectives: The Chair outlined the objectives for the meeting, reviewing the consultation, discussing the legal text, and updating the Workgroup Report and timeline.

Timeline Review: The Chair led a review of the timeline, noting that the Workgroup Report is due to the CUSC panel on the 18 September 2025. The Chair asked the workgroup to review the timeline and provide any feedback via email.

The Chair clarified that the expected Implementation date would be 1 April 2027 and agreed to correct the mistake on the timeline slide, which stated 10 working days after The Authority decision.

Consultation Responses Overview: The Chair presented a summary of the consultation responses to the Workgroup.

Consultation Responses Discussion: The Proposer highlighted specific consultation responses that were particularly helpful to discuss, including assumptions about generation displacement and the impact on demand charges.

- **Generation Displacement:** The Proposer highlighted a consultation response suggesting that growing demand and generation won't displace generation with static demand. The Workgroup debated this point, discussing the assumptions behind the generation-weighted reference node.
- **Demand Charges Impact:** The Proposer referenced a consultation response about the impact on demand charges, one Workgroup member expressed concerns about the assumption that new generation displaces existing

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generation. The Workgroup discussed the validity of this assumption in the current system.

- **Incremental Changes:** The Proposer clarified that the charging methodology is supposed to give an incremental signal, the Workgroup discussed how the system responds to incremental changes in demand and generation.
- **Interaction with Other Modifications:** The Proposer mentioned that all respondents noted interactions with other modifications, and some respondents felt that these should be considered together for better clarity. Several Workgroup members noted that CMP423 can stand alone. The Authority Representative shared the [Ofgem minded-to decision on CMP444: Introducing a cap and floor to wider generation TNUoS charges](#), published 10 July 2025. The Workgroup agreed to discuss this letter in more detail at the next Workgroup meeting.
- **Terms of Reference:** The Chair emphasized the importance of documenting how the Workgroup has met each Term of Reference and highlighted the need to review the consultation responses and Workgroup Report to ensure all have been considered.

Next Steps

The next Workgroup meeting is schedule for 14 August. Updated Workgroup Report to be circulated it for review following today's meeting.

Actions

Action Number	WG Raised	Owner	Action	Comment	Due By	Status
7	WG4	CG	Evaluate the current timeline leading up to the Workgroup Report and circulate a new draft to Workgroup members		TBC	Open
13	WG5	NC	Provide a summary of the different WACMs for inclusion in the Workgroup Consultation.		TBC	Open

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14	WG5	NC	Update the work examples in the Legal Text to reflect the CMP423 solution.		TBC	Open
17	WG6	NC	align the axis on the graph and consolidate them into a single chart.		23 May 2025	Closed
18	WG6	JT	Add the suggested proportions to the spreadsheet for a clearer understanding of the impact.		23 May 2025	Closed
19	WG6	JT	Incorporate the overall impact on revenue collection from demand charges rather than dividing it into separate rates. Proposer to add this information to the report.		23 May 2025	Closed
20	WG6	DC	Arrange for a slot on the next TCMF meeting.		4 June 2025	Closed
21	WG6	CG	Share Workgroup Consultation with Workgroup members for review.		23 May 2025	Closed
22	WG6	ALL	Review the Consultation Report and send comments by EOD Tuesday 27 May		27 May 2025	Closed
23	WG7	NC	Send the minor changes to the legal text examples.		TBC	Open

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24	WG7	JT	Reach out to GE to discuss “The one respondent who disagreed felt that the aim of this modification was not intended to address the gradient of locational Demand charges and that it had not been demonstrated that changing the reference node is the most appropriate solution to the zero-price floor issue” and share any relevant feedback with the Workgroup.		WG8	Open
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Attendees

Name	Initial	Company	Role
Claire Goult	CG	Code Administrator, NESO	Chair
Andrew Hemus	AH	Code Administrator, NESO	Tech sec
John Tindal	JT	SSE	Proposer
Chia Nwajagu	CN	Ørsted	Observer
Daniel Ffrench-Mullen	DF	Ofgem	Authority Representative
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Graham Pannell	GP	BayWa r.e.	Workgroup Member
Gregory Edwards	GE	Centrica	Workgroup Member
Hector Perez	HP	Scottish Power	Alternate Workgroup Member
Gregory Edwards	GE	Centrica	Workgroup Member

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Louis Sandiford	LS	Ofgem	Authority Representative
Niall Coyle	NC	NESO	Workgroup Member
Paul Mott	PM	NESO	Observer
Robert Longden	RL	Cornwall Insight (nominated by Eneco Energy Trade)	Workgroup Member
Tom Steward	TS	RWE	Workgroup Member