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Code Administrator Meeting

Summary

Workgroup Meeting 7: CMP417 Extending principles of CUSC Section 15 to all Users

Date: 30 July 2025

Contact Details

Chair: Lizzie Timmins, Elizabeth.timmins@neso.energy

Proposer: Sean Nugent, Sean.Nugent@neso.energy

Key areas of discussion

The Chair outlined the agenda of the meeting, which included an update of the Actions, Proposer's solution and Terms of Reference.

Actions

The following actions were closed:

- **Action 1** – The Chair confirmed Panel approved the new Terms of Reference (g) 'Consider the interaction between Demand and Generation Securities'.
- **Action 3** – The Proposer confirmed final sums will be removed altogether and the solution will apply to everyone not covered by the current Section 15.
- **Action 4** – The Proposer updated the Workgroup that consideration for calculation for hybrid sites had been given concluding that, under the CUSC, TO assigns works to each technology/stage, calculating securities based on relevance. If a work applies to both generation and demand, it is attributed to the technology with the higher factor (e.g., demand if its capacity is greater).
- **Action 5** – The Proposer advised this action was no longer relevant as CMP417 aims to align generation and demand. Any change to SIF scaling across all schemes would require a broader modification to CMP192 and believed this was out of scope for CMP417. Examples of attribute cancellation charge were provided to the Workgroup.
- **Action 6** – The Proposer met with the NESO Customer Solutions and Engineering Team to discuss impacts of changes to security statement timings. The Team believed there are no impacts on the Grid Code.

New Actions out of Workgroup 7 can be seen below.

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Proposer's Presentation

The Proposer's presentation slidepack can be viewed [here](#).

Wider Liability

The Proposer gave an update on Wider Liability, key discussions from those were:

- The Proposer confirmed Electricity Ten Year Statement (ETYS) zones used for generation will apply to demand for wider cancellation charges. A Workgroup member queried whether the allocation model for cancellation charge recovery is appropriate if demand and generation distributions differ by zone. Adding, if demand MW in a zone should be treated the same as generation MW for cancellation charges **(ACTION 8)**.

An SME explained that the wider liability is not split by works per zone, but rather by total CapEx spend apportioned by NESO using factors like boundary levels from FES, not just by the specific works in each zone.

It was agreed to include more information in the Workgroup Consultation to explain zone allocation methodology. **(ACTION 7)**

- The Proposer queried whether the Workgroup had any concerns about applying the User Risk Factor (a 50% reduction) to demand, since it splits wider risk between generation and consumers meaning some costs are passed to demand Users and then also to all consumers via TNUoS. A Workgroup member pointed out with Demand having wider cancellation liability, the portion recovered from terminating demand Users should reduce what is recovered from all Demand Users through TNUoS, to avoid double recovery. The SME advised that changing the User risk factor would likely require a separate modification and is out of scope for CMP417.

Strategic Investment Factor (SIF)

The Proposer and SME confirmed their final stance would be that no scaling would be included in the solution. This would require changes to CMP192 and is out of scope for CMP417. Discussions arising from this were:

- A Workgroup member questioned the appropriateness of applying SIF to connection assets and one-off works, suggesting either excluding these from SIF or always applying a SIF of one, since these assets are typically built for a single User and not shared.
- A Workgroup member highlighted inconsistent SIF application in practice, sometimes resulted in over-securitisation and asked if a future modification might be raised to address this.

The Chair pointed out a modification can be raised by any party but would be difficult to address before CMP417 was implemented.

- A Workgroup member explained SIF is based on scheme capability, which can be difficult to determine for certain assets, especially one-off works, and that TOs provide the relevant data for SIF calculation.

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The Workgroup agreed that alignment between generation and demand is important but aligning on an imperfect SIF methodology could introduce new issues, particularly for demand Users with large, dedicated assets. The SME agreed to consider further examples and analysis.

(ACTION 9)

Demand Capacity

The SME updated the Workgroup that demand connection application form requires a 'Demand Capability' value, representing the connection's long-term requirements. The figure should be used in place of TEC when calculating demand liability. Discussions out of that:

- A Workgroup member raised that demand capacity will impact queue management, competition between Users and may require a register or process similar to the tech register for generation;
- The Workgroup agreed that further discussions were needed about how demand capacity figures are determined in the context of DNO's licence compliance and upgrade triggers. **(ACTION 10)**

Hybrid Sites

The SME updated the Workgroup on their proposed approach for Hybrid Sites. Discussions out of that:

- A Workgroup member queried why two separate security statements were needed for Hybrid Sites, highlighting that requirements are usually driven by either generation or demand. They further queried how TOs identify scheme drivers.

The SME replied that the process would be clarified through the upcoming STC modification CM093, and that while there would be two security statements, any works would only be included once in either the generation or the demand statement.

The Chair advised that CM093 Workgroups were on pause until the Proposer of that mod received feedback.

- A Workgroup member advised the importance of TOs providing clear data on whether works are import or export driven, as currently this responsibility often falls to NESO.

Full Process

The SME gave an overview of the Full Process providing some clarifications:

- shared use works (TORIs) for demand, which would be given offline to Workgroup member noting most TORIs are generation-driven **(ACTION 11)**.
- if MW rating and works lists are needed for SIF; SME responded both were required with SIF calculations as demand capability divided by MW rating.
- if Demand Users can choose fixed or variable securities, like generation Users.
- Calculation steps mirror generation, using demand-specific data

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Timeline

The Chair highlighted there had been an additional 3 Workgroups added before and after the Workgroup Consultation. The Workgroup agreed to the additions.

A Workgroup member advised an Alternative may be raised to deal with the proposed approached to the aligning of demand and generation security methodologies.

A Workgroup member queried when the modification would be implemented. The SME advised there would be a transitional period of around 6 months to deal with updating of contracts individually but would obtain more information around this.

Terms of Reference

Workgroup members discussed whether an additional Terms of Reference was required to deal with the Data Centres and GIS/AIS Substations, and the impact of the investment required on consumers.

AOB & Next Steps

No AOB was discussed.

The Chair advised the Proposer would start preparing the Workgroup Consultation document **(ACTION 12)**.

Actions

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

Action Number	Workgroup Raised	Owner	Action**	Due by	Status
2	WG6	Proposer	Consider which principles of UCM are being transferred and any that aren't, include justifications.	WG8	Open
7	WG7	SN/MC	Look into model allocation of capex to investigate whether zonal allocation is cost reflective for both Generation and Demand	WG8	Open
8	WG7	SN/MC	Provide example on wider liability and cancellation charge	WG8	Open
9	WG7	SN/MC	Consider in more detail what happens with SIF for Generation,	WG8	Open

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			particularly for connection sites and one off works		
10	WG7	SN/MC	Consider and finalise solution for DNOs	WG8	Open
11	WG7	SN/MC	Discuss use of TORIs with TOs and whether this is required in the solution	WG8	Open
12	WG7	SN/MC	Provide summary of solution within Workgroup Consultation document	WG8	Open

Attendees

Name	Initial	Company	Role
Lizzie Timmins	LT	NESO	Chair
Tametha Meek	TM	NESO	Technical Secretary
Sean Nugent	SN	NESO	Proposer
Martin Cahill	MC	NESO	Proposer Alternate
Aishwarya Harsure	AH	NESO	Observer
Christopher Patrick	CP	Ofgem	Ofgem Representative
Folashadé Popoola	FP	NESO	Subject Matter Expert
Jonathan Clark	JC	SJET	Workgroup Member Alternate
Kirsty Dawson	KD	Statkraft	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Nadir Syed	NS	UKPN	Observer
Natalija Zaiceva	NZ	UK Power Networks	Observer
Neil Bennett	NB	SSE	Observer
Paul Smillie	PS	SPT	Workgroup Member Alternate

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Sam Aitchison	SA	Island Green Power	Workgroup Member
Thomas Goss	TG	NESO	Observer
Tim Ellingham	TE	RWE Supply & Trading GmbH	Workgroup Member
Zivanayi Musanhi	ZM	Uk Power Network	Workgroup Member Alternate