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# Code Administrator Meeting

## Summary

Workgroup Meeting 7: CMP447 Removal of designated strategic works from cancellation charges/securitisation

**Date:**

**18/08/2025**

### Contact Details

Chair: Kat Higby, [Katharine.higby@neso.energy](mailto:Katharine.higby@neso.energy)

Proposer: Harvey Takhar, [Harvey.Takhar@neso.energy](mailto:Harvey.Takhar@neso.energy)

### Key areas of discussion

The aim of Workgroup 7 was to review the action log, discussions on potential guidance note, consumer impacts discussion and Terms of Reference review.

### Review of Action Log

The Workgroup reviewed the action log and confirmed the following updates:

**Action 20:** Review and clarify the application and wording of the global asset reuse factor in the CUSC. The Proposer provided the Workgroup with an explanation on the clarification of the application and wording of the Global Asset Resue Factor (GARF) in the CUSC. The Chair confirmed this action can now be closed.

**Action 22:** Discuss potential guidance on the designation process in the next Workgroup meeting. The Chair confirmed this action can now be closed following Workgroup discussions.

**Action 23:** Amend the Workgroup meeting on 02 September to a later time to avoid a potential conflict. The Chair confirmed this action can be closed.

### Discussion on Potential Guidance

The Proposer provided the Workgroup with a draft guidance note on the designation process:

- **Transparency and Clarity in Designation:** A Workgroup member requested greater transparency and detail in the guidance regarding Ofgem's approach to designating works, suggesting the guidance emphasise Ofgem's high-level

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designation and subsequent translation by NESO. The Proposer agreed to incorporate wording from the Workgroup Consultation to clarify this process.

- **Future-Proofing and Successor Schemes:** Workgroup members discussed including references to Medium-Sized Investment Project (MSIP) and successor schemes to Accelerating Strategic Transmission Investment (ASTI) and Large Onshore Transmission Investment (LOTI) in the guidance, ensuring the document remains relevant as processes evolve.
- **Role of the Modification and Ofgem's Discretion:** A Workgroup member sought clarification on whether the modification prescribes specific schemes or leaves discretion to Ofgem. The Proposer explained that while the modification suggests likely schemes, Ofgem retains unfettered discretion, and the guidance will reflect this balance.
- **Alignment with Centralised Strategic Network Plan (CSNP) and Alternatives:** A Workgroup member highlighted that they may raise a potential alternative which would look at the possibility of aligning designated works with the CSNP and suggested that automatic designation could be considered. The Proposer offered support in drafting a matching guidance note should an alternative be raised.
- **Timing, Process, and Resource Constraints:** Workgroup members highlighted the importance of timely and transparent decisions, especially in relation to connection offers and resource constraints. The Proposer clarified that references to resource constraints would remain in the Workgroup report and that the designation process allows for ongoing and future designations.

## Discussion on Consumer Impact

The Proposer presented a draft consumer impact statement to include within the Workgroup Report. Further discussions were held regarding the following:

- **Explanation of Consumer Impacts:** The Proposer explained that the return of securitised amounts has no direct negative impact on consumers, and that the modification would reduce cancellation charges, aligning them more closely with actual risk.
- **Reference to Ofgem's Statutory Objective:** Workgroup members suggested explicitly referencing Ofgem's statutory objective to protect the interests of future consumers, which the Proposer agreed to incorporate into the statement.
- **Review and Inclusion Process:** The Workgroup agreed to include the consumer impact statement in the Workgroup Report, with a final review to be conducted before the report is finalised and circulated.

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### Terms of Reference

The Workgroup reviewed the Terms of Reference and confirmed that items related to EBR implications, timing and process for implementation, and consideration of a wider approach were complete, with consensus that any further work on Gas and Electricity Markets Authority (GEMA) would be a follow-on modification.

- **Worked Examples and Process Map:** A Workgroup member requested a worked example or process walkthrough of the designation process. After discussion, the Workgroup agreed that a hypothetical, non-scheme-specific process map would be most appropriate.

### Next Steps

The next Workgroup meeting is scheduled for 28 August.

### Actions

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

Action Number	Workgroup Raised	Owner	Action	Due by	Status
20	WG5	PM/HT	Review and clarify the application and wording of the global asset reuse factor in the CUSC and feed back to the Workgroup.	WG7	Closed
22	WG6	SW	Add an agenda item to discuss potential guidance on the designation process in the next Workgroup meeting.	WG7	Closed
23	WG6	SW	Amend the Workgroup meeting on 02 September to a later time to avoid a potential conflict	WG7	Closed
24	WG7	PM	Update the guidance note based on Workgroup	WG8	New

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			feedback and circulate it to Workgroup members by email before the next meeting		
25	WG7	PM	Create a hypothetical example process map illustrating the designation and translation process, and circulate it to Workgroup members for review	WG8	New
26	WG7	KH	Add an agenda item for the next meeting to discuss the process and next steps if Ofgem does not make the designation in time for Gate 2 offers	WG8	New

## Attendees

Name	Initial	Company	Role
Kat Higby	KH	NESO Code Administrator	Chair
Ren Walker	RW	NESO Code Administrator	Tech Sec
Paul Mott	PM	NESO	Proposer Alternate
Alan Kelly	AK	Corio Generation	Workgroup member
Barney Cowin	BC	Blue Float	Workgroup member
Binoy Dharsi	BD	EDF Energy Renewables	Workgroup alternate
Calum Duff	CD	Bowdun Offshore Wind Farm	Workgroup member
Charles Yates	CY	Muir Mhor Offshore Wind Farm Ltd (50% owned by Vattenfall)	Workgroup member

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Christopher Patrick	CP	Ofgem	Authority Representative
Chris White	CW	Research Relay Ltd	Workgroup alternate
Ciaran Fitzgerald	CF	Scottish Power Renewables	Workgroup member
Damian Clough	DC	SSE	Workgroup member
Dennis Gowland	DG	Research Relay Ltd	Workgroup member
E Lian Diong	ELD	Bowdun Offshore Wind Farm	Workgroup alternate
Holly Thomas	HT	Scottish Renewables	Workgroup member
Kirsty Dawson	KD	Statkraft	Workgroup member
Kyle Murchie	KM	Roadnight Taylor	Workgroup member
Lenka Peskova	LP	ESB Generation and Trading	Workgroup member
Mark McCabe	MMC	Boralex Limited	Workgroup member
Matthew Dowds	MD	Muirhall Energy	Workgroup member
Neil Bennett	NB	SSEN Transmission	Workgroup member
Nina Sanghera	NS	Drax	Workgroup alternate
Patrick Smart	PS	RES UK & IRELAND LIMITED	Workgroup member
Paul Smillie	PS	SPEN	Workgroup alternate
Richard Blanchfield	RB	Talisk-Magnora Offshore Wind Ltd (Grid Advisor)	Workgroup member
Tim Ellingham	TE	RWE	Workgroup member