

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

Workgroup 9, 01 September 2025

Online Meeting via Teams

# WELCOME

# Agenda

Topics to be discussed	Lead
Welcome	Chair
CMP447 Alternative Request 2: Defined Obligations	Kyle Murchie
Alternative Vote	Chair
Any Other Business	All
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	Charles Yates	Muir Mhor Offshore Wind Farm Ltd
Workgroup Member	Ciaran Fitzgerald	Scottish Power Renewables
Workgroup Member	Damian Clough	SSE
Workgroup Member	Dennis Gowland	Research Relay Ltd
Workgroup Member	Glenn Smith	EDF Energy Renewables
Workgroup Member	Holly Thomas	Scottish 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	Mark McCabe	Boralex Limited
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	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 Alternative Request 2: Defined Obligations

Kyle Murchie,  
Roadnight Taylor



# What is the Alternative ?

This Alternative proposes to enhance CMP447 by putting further obligations on NESO while not defining the methodology for designating 'Excepted Works'. It seeks to adopt the approach taken in CUSC Section 15, User Commitment Methodology, where a defined timeframe is outlined along with publication requirements.

The proposed additions and / or changes are as follows:

- **Proposed designation submissions** – Proposed timeframe for designation submissions between NESO and Ofgem:
  - Following implementation
  - Enduring
- **Publication of 'Excepted Works'** – It is not proposed to include a list of 'Excepted Works' as a schedule within the legal text. Instead, any NESO proposed or approved 'Excepted Works' could be included within the Final Workgroup Report. However, it is proposed that a requirement be added to the legal text requiring NESO to publish a statement including specific details of the 'Excepted Works' and any other works proposed for designation where a decision has yet to be made. Maintaining a clear track of works that were not approved is also proposed.

## Appendix I – Excepted Works Register Example

Excepted Works					
Project Name	Reference Number	Approved	Rejected	Awaiting Decision	Decision Date
		X			xx xx xxxx

- **Non reversible designation** – The Original Proposal does not prevent a reversal of 'Excepted Works' designation. Thus Alternative 2 proposes to clarify within the legal text, removing ambiguity and increasing investor confidence.
- **Template for designation requests** – Through this alternative a template could be developed and included as a schedule within the CUSC, aiding the communication of proposed designations between NESO and Ofgem. This is not a key component of this component so could be removed without having any impact on the principal of the Alternative.

# Why introduce obligations?

The Alternative maintains the original benefits of the Original Proposal while introducing enhancements to the Original Proposal by including further obligations while not defining the methodology for designating 'Excepted Works'. This includes setting the timeframe for NESO to submit a proposed set of designations to The Authority following implementation, publication of an 'Excepted Works' list and the ongoing minimum timeframe between designations being proposed to The Authority.

The Alternative could stand alone or be considered as an interim solution ahead of the first formal version of the CSNP and the solution defined under WACM1.

## Perceived benefits:

- **Implementation certainty** – While the Alternative does not mandate an approved list of all Excepted Works at time of implementation, nor the methodology underpinning each decision, it does set a timeframe and better facilitate transparency.
- **Unintended consequences** – Despite the intent of CMP447, the Workgroup and the proposed CUSC Section 15 Guidance Note update, the Original Proposal only facilitates designation by The Authority. Through setting a timeframe for NESO to make recommendations to The Authority and setting the minimum requirements for a Excepted Works register, unintended consequences such as decisions being made out of step with the present Security Periods and unequal visibility of Excepted Works across a competitive market being significantly reduced.
- **User uncertainty** – The Original Proposal sets out relatively minimal changes to the legal text and while these facilitate the concept of designating Excepted Works other than those already in scope of CMP428, it does not mandate a process in which NESO must present a recommended list of works for the Authority to consider designating. The Alternative seeks to make a balanced change, increasing investor confidence while not making fundamental changes or additions to the Original Proposal.
- **Administrative efficiencies** – The Alternative provides the opportunity for efficiencies, ensuring the enduring designation process aligns with existing Final Sums and User Commitment Security Periods.

# Proposed Legal Text

## Within CUSC Section 11:

*Excepted Works, once designated, cannot be reversed where the Scope of Works or project definition is unchanged.*

*OR [Excepted Works, once designated, can only be reversed where the Scope of Works or project definition has materially changed.]*

## Within CUSC Section 15:

*The Company shall issue an Excepted Works designation request [recommendation] to The Authority as soon as practicable after the Implementation Date for CUSC Modification Proposal CMP447 and no more than 3 months after the Implementation Date.*

*The Company shall issue an Excepted Works designation request [recommendation] to The Authority by no later than 01 May and 01 November each Calander Year.*

*By no less than 90 days before 01 April and 01 October each Calander Year The Company will publish a statement showing:*

- Excepted Works [where those apply to one or more Bilateral Connection Agreement(s)]*
- Date from which works are designated as Excepted Works*
- Works proposed by The Company to be designated as Excepted Works that have been rejected by The Authority*
- Works proposed by The Company to be designated [where The Authority has yet to communicate a decision]*
- The relevant project reference number associated with the works as set out within the Transmission Works Register or Centralised Strategic Network Plan (CSNP)*

# Proposers' assessment

Relevant Objective	Identified impact
<b>(i) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;</b>	Positive <b>Better Facilitates:</b> Removes uncertainty which reduces the risk of post Gate 2 Offer revisions.
<b>(ii) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;</b>	Positive <b>Better Facilitates:</b> Through defined obligations and a minimum timeframe for designation, Users should have the information required at time of Offer acceptance. Open publication would also increase transparency and with it competition.
<b>(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and</b>	Neutral <b>Neutral:</b> Maintains all legal compliance aspects of original CMP447.
<b>(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.</b>	Positive <b>Better Facilitates:</b> Removes the risk of re-estimations post Gate 2 Offer issue and or Security Statements issued in January 2026 for the April to September 2026 security period. Also avoids low impact queries from Users through providing upfront visibility.

\* See Electricity System Operator Licence

\*\*The Electricity Regulation referred to in objective (iii) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

# Alternative Vote

Kat Higby,  
NESO Code Administrator

# Any Other Business

Kat Higby,

NESO Code Administrator



# Next Steps

Kat Higby,  
NESO Code Administrator

