

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

Workgroup 11, 05 September 2025

Online Meeting via Teams

WELCOME

Agenda

Topics to be discussed	Lead
Welcome	Chair
CMP447 Alternative Request 3: WACM1 and WACM2 combination	Barnaby Cowin/Kyle Murchie
Alternative Vote	Chair
Legal Text Review	Chair
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	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 3: WACM1 and WACM2 combination

Barnaby Cowin / Kyle Murchie

What is the Alternative ?

This Alternative proposes to enhance CMP447 by combining WACM 1 with WACM 2 to achieve the following:

- Extend the definition and designation of 'Excepted Works' to reinforcements previously identified through NESO's Pathway to 2030 publication^[1] and Beyond 2030 Publications and those reinforcements determined through the CSNP methodology, reducing the regulatory burden of separate and multiple designation processes
- Apply further obligations on NESO, adopting the approach taken in CUSC Section 15, User Commitment Methodology, where a defined timeframe is outlined along with publication requirements.

A direct combination is not advised as it could result in some conflict once the CSNP is in place.

The proposed additions and / or changes are to WACM 2 legal text only. For simplicity, the WACM 1 legal text would not be changed under Alternative 3.

Additions and changes to WACM 2 text are as follows:

- **Proposed designation submissions** – Proposed timeframe for designation submissions between NESO and Ofgem:

Legal Text suggestion:

***The Company** shall thereafter issue further recommendations to **The Authority** as to what might comprise **Excepted Works** by no later than 90 days before 01 January and 01 July each Year, **until the Centralised Strategic Network Plan (CSNP) has been implemented**. If at these times there are no recommendations to make, a null list can be submitted.*

- **Publication of 'Excepted Works'** – No change. This would result in an Excepted Works Register being published alongside the CSNP, yet given the minimal administrative impact and potential increase in transparency recommended this is not altered from that proposed under WACM 2.

What is the Alternative ?

- **Non reversible designation** – No change. While not preventing a reversal from The Authority, it would prevent NESO recommending a reverse on a designation defined through the CSNP methodology. Avoids the possibility of NESO recommending that a set of works within the CSNP that would normally be defined as Excepted Works under WACM 1 having its Excepted Works designation withdrawn where the Scope of Works has not materially changed.
- **Method of Designation** – WACM 1 offers a route through the CSNP and works otherwise designated as per clause (c). Thus it is proposed the Section 11 legal text in bold is sufficient, but open to challenge and refinement.

any **Construction Works** as regards **Transmission** which:

(a) are included in the delivery pipeline or equivalent firm commitment category of:

(i) The Company's 'Pathway to 2030 (Holistic Network Design)' report dated July 2022; or

(ii) The Company's 'Beyond 2030' report dated March 2024; or

(iii) any strategic network plan published by **The Company** in the discharge of its statutory strategic network planning functions pursuant to its licence and the Energy Act 2023 (or any re-enactment or amendment thereof), including but not limited to the Centralised Strategic Network Plan and any successor documents so designated in writing by The Company as forming part of such functions;

and

(b) constitute **Construction Works** as regards **Transmission** undertaken for broader transmission system capability requirements as assessed under the NETS SQSS methodology, rather than works specific to connection requests, or

(c) any additional works as otherwise designated by the Authority

Intention of proposer is (c) is entirely independent leg to (a) and (b). So Excluded Works are either (a) AND (b), OR they are (c).

Why introduce obligations?

The Alternative introduces enhancements to the Original Proposal as presented in WACM 1 and WACM 2.

Given the CSNP is not expected to be in place until 2027, combining would offer the benefits of increased obligations on NESO between implementation and the CSNP being in place. It also ensures there is a clear list of Excepted Works, removing any ambiguity and ensuring transparency.

Perceived benefits:

The Alternative maintains the original benefits of the Original Proposal:

- Reduces attributable works securities for strategic Transmission reinforcement projects
- Supports accelerated renewable energy connections
- Aligns with the urgent and immediate Gate 2 implementation timeline by removing the need for an additional Ofgem determination
- Addresses commercial impact concerns about 'stranded assets' raised by industry by only removing securities from reinforcement schemes that have an approved mandate for delivery

The Alternative combines WACM 1 and WACM 2, enhancing the Original Proposal until such time that the CSNP is introduced and maintaining a base set of obligations on NESO.

Proposed Legal Text

Within CUSC Section 11: As WACM 1 only.

Within CUSC Section 15: As WACM 2 with addition as shown in purple. Note WACM 2 was updated to address concerns with the originally proposed dates. Revised to address comments and best align with Security Periods.

***The Company** shall make recommendations to **The Authority** as to which transmission construction schemes it considers might comprise suitable **Excepted Works** for **The Authority** to, in its unfettered discretion, designate as soon as practicable after the Implementation Date for CUSC Modification Proposal CMP447, and no more than 3 months after the Implementation Date of CMP447. **The Company** shall thereafter issue further recommendations to **The Authority** as to what might comprise **Excepted Works** by no later than 90 days before 01 January and 01 July each Year, **until the Centralised Strategic Network Plan (CSNP) has been implemented**. If at these times there are no recommendations to make, a null list can be submitted.*

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

- a) The Authority's** designations of transmission construction schemes that comprise **Excepted Works***
- b) The date from which each transmission construction scheme was designated as **Excepted Works*****
- c) Works proposed by **The Company** to be designated as **Excepted Works** that have been rejected by **The Authority*****
- d) Works proposed by **The Company** to be designated where **The Authority** has yet to communicate a decision***
- e) The relevant project reference number at the time of publication associated with the works as set out within the **Transmission Works Register** or **Centralised Strategic Network Plan (CSNP)*****

*A recommendation from **The Company** to **The Authority** of a designation of a **Transmission Construction Scheme** as **Excepted Works** by **The Authority**, once communicated, cannot be later rescinded by **The Company** unless that transmission scheme's scope or definition changes.*

Proposers' assessment

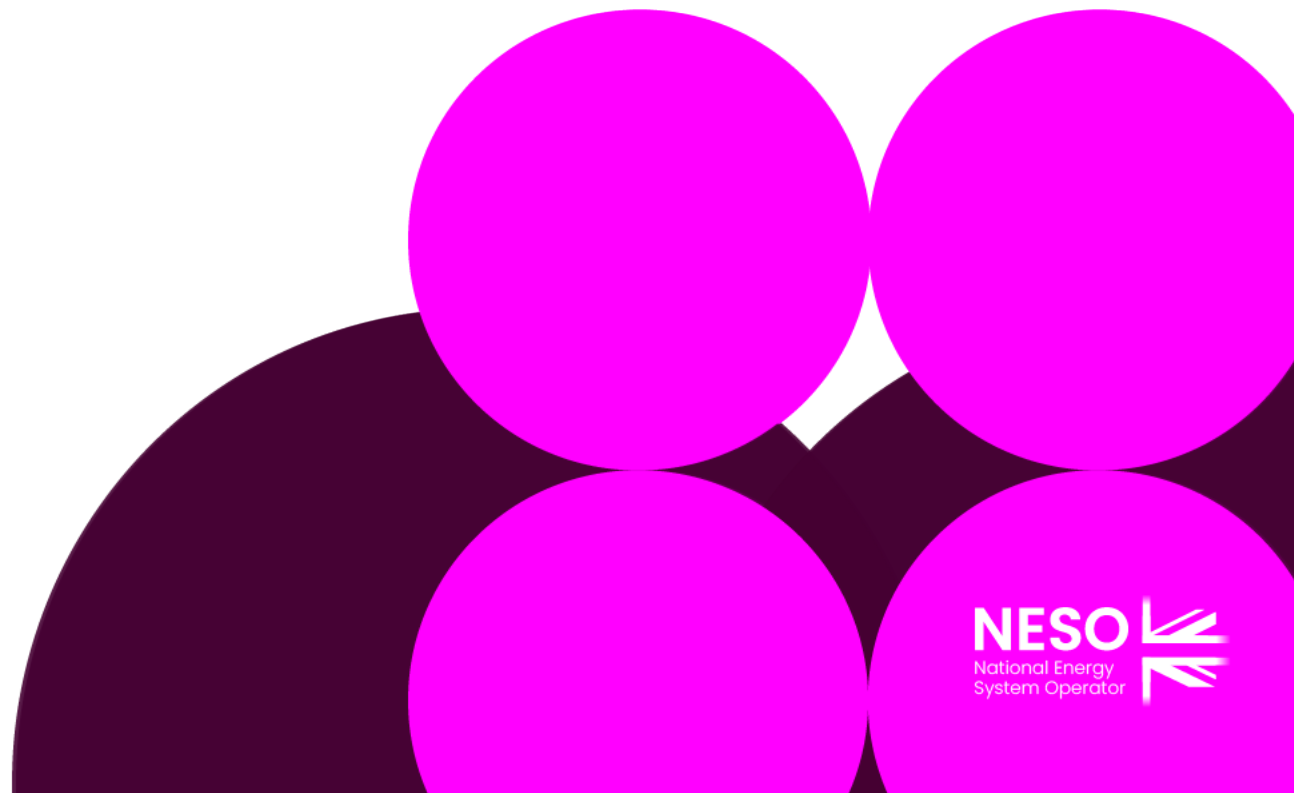
Relevant Objective	Identified impact
(i) The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;	Positive Better Facilitates
(ii) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive Better Facilitates
(iii) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and	Neutral Neutral: Maintains all legal compliance aspects of original CMP447.
(iv) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive Better Facilitates

* 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 Request 3 Vote

Sarah Williams,
NESO Code Administrator



Legal Text Review

Sarah Williams,
NESO Code Administrator



Any Other Business

Sarah Williams,
NESO Code Administrator



Next Steps

Sarah Williams,
NESO Code Administrator

