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Code Administrator Meeting

Summary

Workgroup Meeting 8: CMP417 Extending principles of CUSC Section 15 to all Users

Date: 03 September 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 and Proposer' solution.

Click [here](#) to view the Proposer's update on the solution.

Actions

Actions 2, 7 and 8 were closed. The following discussions on actions were:

- **Action 2** – The Proposer confirmed no changes were needed regarding the SIF and LARF applications and will continue to apply as proposed.
- **Action 7** – The SME explained their approach, where total CapEx (including both generation and demand-driven works) is reduced by User Risk and Global Asset Reuse Factors before apportioning to ETYS zones using Boundary information. This will then be divided by expected MW connections to set a £/MW tariff. They advised that the method will be an approximation and not based on actual wider spend per zone.

The SME also confirmed the zones would remain consistent and the method aligns with constraint boundaries.

Workgroup members supported the SME's approach as long as CapEx is not double counted.

- **Action 8** – The SME explained the user risk factor splits liability 50/50 between generation and consumers, but only generation faces wider liability currently. Under the proposed change, both Generation and Demand would share this liability, which is expected to reduce securities for Demand sites, especially those with high liabilities.

Workgroup members supported the standardised approach if liabilities are proportionally allocated and not tied to specific asset types for Demand connections.

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- **Action 9** – The SME recapped previous conversations around scaling SIF, reiterating that this would not be part of the solution.

The Chair pointed out there may be a further modification raised to fix the issues that have arose out of CMP192 (the existing CUSC Section 15), which would apply to both Demand and Generation.

A Workgroup member queried whether some generic examples could be provided to illustrate the impact of SIF and reuse factors on overall securities, specifically to compare business-as-usual with the proposed approach and show the difference. They believe this will help assess if further modifications to CUSC Section 15 are needed in the future. The SME agreed to investigate this and keep the action open.

- **Action 10** – This Action addressed how to determine and assign Demand Capacity for DNO works, especially when works are not triggered by a specific embedded customer.

Feedback from the Workgroup received:

- Option 1, if only the DNO is triggering the works (e.g., due to demand growth), it is not appropriate to split liability between users and that only those causing the need for upgrade should be proportioned.
- Option 2, the SIF should be based on the total new required capability (aggregate), not just the incremental increase, aligning with how it is done for generation (based on total TEC). Stating there is no reason for DNOs to be treated differently in this regard.
- The current process where DNOs must first apply for infrastructure and later submit a modification application to add demand causes frustration and suggesting it would be better if both could be done together.
- Consider whether the capability requirement for DNO-only driven works would be best placed from the TO rather than the DNO. The workgroup discussed the difference between the asset capability and DNO requirements. The Workgroup member pointed out that under current SQSS rules, demand users seeking firm applications are liable for multiple transformers. Consideration was needed how these liabilities would be shared when firm capacity is requested, ensuring costs are not unfairly passed to others. The SME responded that in such cases, costs would not be passed on, as the requirement is triggered by the specific user/s who apply for a new agreement or modification.
- Concerns about the TO deciding what capacity is required, arguing that the DNO is license-bound to comply with Engineering Recommendation P27 and should specify the required transmission system demand capability, not the TO.

The Chair summarised that further consideration was needed on both options for determining DNO Demand Capability, the existing process and issues with setting Demand Capability to zero, timing of capital contributions and the distinction between total required versus total capacity.

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- **Action 11** – this action focused on whether it is necessary to split TO reinforcement instructions (TORIs) into Demand and Generation driven works, especially for hybrid sites with both Generation and Demand. The SME confirmed their approach was to avoid duplicate securities for the same asset at a hybrid site and therefore assign securities based on the highest MW rating (either Generation or Demand), rather than splitting by driver.

Workgroup Feedback:

- Supported the approach for hybrids but raised concerns about TOs not always knowing what drives works, emphasising the need for securities to reflect the actual trigger.
- The current reporting (eg TWR) lacks visibility for demand-driven works, making it hard to track and model these projects.
- A Workgroup member highlighted an example with a data centre and Generator at the same site, clarifying that the attributable works should be assigned to the party triggering them therefore the wider works should be handled separately.
- General concerns about the approach.

The SME agreed to provide a more detailed example.

No new Actions arose out of Workgroup 8.

Timeline

The Chair noted that further Workgroups would be needed before Workgroup Consultation. This will accommodate developing the solution further and allow for the legal text drafting.

The Chair confirmed that CM093 will likely begin Workgroup meetings in October.

Terms of Reference

The Chair queried whether the Workgroup had concerns about meeting the Terms of Reference, noting that progress was ongoing as solution elements were developed. No concerns were raised.

AOB & Next Steps

No AOB was discussed.

The Chair advised the slides will be amended to correct typos and reuploaded. The next Workgroup will be held on 23 September.

Actions

To review the full action log (post hiatus) click [here](#)

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Action Number	Workgroup Raised	Owner	Action	Due by	Status
9	WG7	SN/MC	Consider in more detail what happens with SIF for Generation, particularly for connection sites and one off works <i>Update: Proposer to look into examples which show financial impact at a future workgroup</i>	TBC	Open
10	WG7	SN/MC	Consider and finalise solution for DNOs	WG9	Open
11	WG7	SN/MC	Discuss use of TORIs with TOs and whether this is required in the solution <i>Update: Proposer to provide a more detailed example for the next Workgroup.</i>	WG9	Open
12	WG7	SN/MC	Provide summary of solution within Workgroup Consultation document	WG9	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
Andrew Yates	AY	Statkraft	Workgroup Member Alternate
Charles Deacon	CD	Eclipse Power Networks	Workgroup Member
Christopher Patrick	CP	Ofgem	Authority Representative
Damian Clough	DC	SSE	Workgroup Member

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Folashadé Popoola	FP	NESO	Subject Matter Expert
Gareth Williams	GW	SPT	Workgroup Member
Hamzah Ahmed	HA	Everwell Development Limited	Observer
Harriet Eckweiler	HE	SHET	Workgroup Member
Jonathan Clark	JC	SHET	Workgroup Member Alternate
Mari Tunby	MT	NESO	Observer
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Mustafa Cevik	MC	UK Power Networks	Observer
Nadir Syed	NS	UKPN	Observer
Steve Baker	SB	NESO	Observer
Steve Halsey	SH	UK Power Networks	Workgroup Member
Zivanayi Musanhi	ZM	UK Power Network	Workgroup Member Alternate