Public

Code Administrator Meeting Summary

Workgroup Meeting 9: CMP417 Extending principles of CUSC Section 15 to all Users

Date: 23 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

No Actions were closed in the Workgroup. Click here to view Action updates from the Proposer.

The following discussions were:

- **Action 9** – The Proposer advised they were still working on providing high level examples to see how CMP417 would work and welcomed any other suggestions.

  A Workgroup member suggested examples that contain scenarios with combined types of customers, specifically both Generation and Demand customers in a single application and how shared works would be represented would be useful.

  The Proposer clarified where one-off works for both SIF and LAF are set at 100%, there will be no scaling of User Commitment. This approach is consistent for both Generation and Demand under the new proposal.

  The Proposer will further consider how one-off works are split between multiple customers, specifically whether they should be allocated based on capacity or another principle and will check for recent examples and clarify the general rule.

- **Action 10** – The Proposer informed the Workgroup before closing this action they would like feedback from all DNOs. A meeting is scheduled for next week with the ENA to run through the solution.

The Proposer explained their approach with the Connection Application is to be consistent with Demand connections.

A Workgroup member responded they were struggling to understand the point where SIF calculation uses only the increase in demand requirement (the incremental approach) rather than the total new requirement. Consideration for cases where an existing customer increases their Demand for example. They believe this causes significant work and only secures the incremental amount. They questioned whether this approach is documented or consistent with current practice.

The Proposer responded that it is to be fixed at the point of application, based on long-term forecasts at that time. This figure should remain unchanged in subsequent statements unless another application is made to change the capability. The Workgroup member believed this would be fair.

A Workgroup member expressed concern that the proposed approach of using incremental capacity (the increase) for SIF calculations does not align with the explicit wording in the codes, which specify total capacity rather than just the increase. They believe this approach is not consistent with the current documented requirements.

The Proposer agreed to liaise with legal to look into this and consider if any amendment to the CUSC is needed for generation.

A Workgroup member suggested including a guidance note to explain how the incremental approach is applied for securing capacity, ensuring consistency and clarity for stakeholders. This could assist with different scenarios (i.e. where technology changes or increases in capacity and can affect how liabilities are calculated). The Proposer agreed.

A Workgroup member said liabilities should apply only to incremental and not total capacity. The Proposer confirmed their proposal aligns with this approach where liabilities based on incremental capacity when increasing from an already connected base. Examples of these scenarios would be useful to include in the guidance and the Workgroup Report.

- **Action 11** - The Proposer requested feedback from Workgroup on whether fixing issue example would cause potential issues in hybrid sites. If securities are fixed and then part of the site (e.g. Demand side) cancels, the associated works might no longer be accounted for in future security statements, potentially leading to under-securitisation for works that were originally attributable to both Generation and Demand.

  A Workgroup member highlighted different scenarios such as having two distinct connection points close to each other, sites which have a different mode of use behind the meter, and the future possibility of BCAs which include both modes of operation (rather than being classed as a Generator or Demand site. It was noted that combined contracts may remove this issue

in the future as it would mean a user wouldn't be able to pick and choose which elements they fix for.

A Workgroup member acknowledged the difficulty of the issue and problem with liabilities if one part of a hybrid site cancels and suggests an alternative where the fixed liability could reduce to the remaining capacity, but notes there is no easy solution for this within the current framework.

Proposer's Solution

The Proposer recapped on the solution to date which can also be viewed here. Feedback from Workgroup members were:

Aim

A Workgroup member pointed out that during the implementation period where amendments to contacts are being made, stakeholders will be interested to know when the liabilities will be reviewed and updated. They recommended having a high-level plan for this transition as part of the process.

The Chair reminded the Workgroup that as yet, no specific dates would be confirmed.

Wider Liability

Clarity was required around whether the wider liability tariff would be lower due to being split among more customers, and questioned under what circumstances it might not decrease.

The Proposer responded that the tariff should decrease because the total CapEx is divided by more megawatts, but the actual outcome depends on annual recalculations and the presence of Demand in each zone. Also confirming that if Demand is present in a particular zone, the tariff for that zone would go down compared to the current process.

The Proposer further explained that the user risk factor wording will need updating because contracted Demand will now contribute to wider liability. The updated wording should reflect that the risk is shared between projects projected to connect (including both Generation and Demand) and consumers.

Process Flow

The Proposer displayed a diagraph to show how the application process will work.

A Workgroup member required clarity of the process flow for Embedded Demand. They explained unlike embedded Generation, there is no clear legal threshold for when embedded Demand requires a direct bilateral agreement and that DNO upgrades may be driven by aggregated small Demand rather than a single large customer.

The Proposer acknowledged discussion with DNOs at the upcoming ENA meeting to clarify how Demand capability and liability should be determined for upgrades were needed.

Legal Text

The Proposer highlighted the following CUSC sections to be amended are: Section 10, Section 11, Section 15, Schedule 2, Exhibit 3, Schedule 2 Part 1 and Schedule 2, Exhibit 3 Part 2.

The Chair queried whether Exhibit MM1 and Exhibit MM2 should be included as these were considered prior to the Hiatus. The Proposer responded that these do not refer to Generation or Demand at the moment and will not be included.

Feedback from Workgroup:

- A Workgroup member questioned whether the definition 'Embedded Power Stations', covers all Embedded Power Stations or only those with a bilateral agreement with NESO. They noted that unlike Generation, there is no statutory or licence-based threshold for Demand that would require a direct contract with NESO and pointed out that everything for Demand likely has to go through the DNO.

  The Proposer agreed that a definition for directly connected Demand is needed, but potentially not for embedded Demand, since those arrangements would be handled through the DNO.

Timeline

The Chair queried based on discussions today that further workgroups will be needed and will work on a new timeline to include further Workgroups before the Workgroup Consultation (3 or more).

AOB & Next Steps

- The Chair advised the Workgroup that Robert Hughes will be taking over as Chair for CMP417.
- The Proposer will aim to bring legal text to the next Workgroup on 21 October.

Actions

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

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 *Update: Proposer to look into examples which show financial impact at a future workgroup.*	TBC	Open

			Further update: consider how one-off works are split between multiple customers, specifically whether they should be allocated based on capacity or another principle		
10	WG7	SN/MC	Consider and finalise solution for DNOs. Update: Proposer to liaise with legal to amend text to deal with increase in Demand capability.	WG9	Open
11	WG7	SN/MC	Discuss use of TORIs with TOs and whether this is required in the solution *Update: Proposer to provide a more detailed example for the next Workgroup.* *Further Update: Proposer to consider Workgroup Comments with two connection points.*	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
Martin Cahill	MC	NESO	Proposer Alternate
Damian Clough	DC	SSE	Workgroup Member
David Tooby	DT	Ofgem	Authority Representative Alternate
Folashadé Popoola	FP	NESO	Subject Matter Expert
Gareth Williams	GW	SPT	Workgroup Member

Harriet Eckweiler	HE	SHET	Workgroup Member
Jonathan Clark	JC	SHET	Workgroup Member Alternate
Kirsty Dawson	KD	Statkraft	Workgroup Member
Mari Tunby	MT	NESO	Observer
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Mustafa Cevik	MC	UK Power Networks	Observer
Nadir Syed	NS	UKPN	Observer
Natalija Zaiceva	NZ	UKPN	Observer
Neil Bennett	NB	SSE	Workgroup Member
Robert Hughes	RH	NESO	Observer
Tim Ellingham	TE	RWE	Workgroup Member
Zivanayi Musanhi	ZM	UK Power Network	Workgroup Member Alternate