Public

CMP417: Extending principles of CUSC Section 15 to all Users

Workgroup 10, 21 October 2025

Online Meeting via Teams

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National Energy System Operator

WELCOME

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Agenda

Topics to be discussed	Lead
Introductions, Objectives and Actions	Chair
Proposer presentation	Proposer
Workgroup Consultation	Chair
Review Timeline and Terms of Reference	All
AOB & 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

Actions Log

Action Number	Owner	Action	Update	Status
9	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 *Further update*: consider how one-off works are split between multiple customers, specifically whether they should be allocated based on capacity or another principle	Update provided in slides	Open
10	SN/MC	Consider and finalise solution for DNOs Update: Proposer to liaise with legal to amend text to deal with increase in Demand capability.	Update provided in slides	Open
11	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.*	Update provided in slides	Open
12	SN/MC	Provide summary of solution within Workgroup Consultation document	Summary today to form basis of workgroup consultation doc	Open

Action 9

Worked examples

- We are planning for these to be available by Workgroup 12
- To 4/5 different generic examples which show different scenarios and liability under Final Sums vs User Commitment

One-Off works

Recap from Workgroup 9:

- Where works are paid for upfront, these will not be included in liability
- Where works are invoiced closer to connection date, these will be included in liability with a SIF and LARF of 100%
- This is the same approach which is used currently for generation

Update for Workgroup 10:

- Query was raised last workgroup around one-off works which may be required by more than one user
- One-Off Works have previously been shared by multiple users in Scotland, but in Scotland these are paid up-front so are not accounted for in securities
- In England and Wales one-off works can be included in liability because these are usually paid for just before commissioning, however we do not see these shared by multiple users here
- We do not expect to be including the One-Off works to be shared across multiple users but if they were then these could be shared using SIF (would assume LARF not applied as these are works above minimum technical solution so wouldn't be re-used efficiently by others)

Action 10 – DNO Solution

Incremental capacity discussion:

- We believe that the original intention of CMP192 was to apply liability based on 'new capacity' so an existing/connected generator should not have liability calculated based on their total TEC – it would be the amount of additional capacity
- We do not see a benefit in changing this approach, particularly as this would increase liability for some generators
- We are considering whether this is appropriate to clarify in the legal text for CMP417 or elsewhere

Action 10 – DNO Solution

Update provided following pack circulation:

Feedback from group:

- Most Mod Apps from DNOs are either driven by larger embedded demand projects. Also see some which are for reconfiguration, but it is rarer that a Mod App would be driven predominantly by load growth (i.e. not relating to larger embedded projects)
- While it is rare that Mod Apps would be driven purely by load growth, it is still important to agree how the process would work in this scenario
  - Some basic guidelines/principles to be developed as part of the modification would be of benefit for this
  - A demand capability number would be provided which reflects, at a point in time, the additional capability required by the DNO and driving the works in the Mod App.
  - In this scenario the additional capability should be a reflection of long term forecasts at that point in time. Unlike week 24, it will not be updated (unless there is a change in requirements for reinforcement work)
- For embedded generation, the Statement of Works will contain customer information such as the site name. For demand, it would be more efficient to also collect demand site names, so that the security statement can be applied specifically to each embedded demand site
  - This would mean a lower number of Mod Apps required to be submitted by the DNO as multiple sites could be contained within one Mod App whilst also being able to apply liability specifically to each site
- There could be an opportunity as part of collecting embedded demand site information to also record a category or technology type for each site

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Action 10 – DNO Solution

Update provided following pack circulation:

Draft Guidelines for DNO only/Load growth driven works

Demand Capability should be the amount of additional capability required by the DNO, which is driving the requirement for the modification application. This will be provided by the DNO via the Connection application. While it is the responsibility of the DNO to calculate this figure, an appropriate approach would be:

- Start with week 24 long term forecast demand data
- Compare long term demand forecast to existing requirements to produce an increase required
- This does not need to account for larger embedded demand sites which are likely to trigger separate modification applications, but should relate to load growth
- An appropriate year to compare to for consistency could be the Year 8 forecast of Week 24 data (Year 10 if GC019 changes are implemented).
- If works are not required to delivery any additional capability e.g. reconfiguration only, then the demand capability should be 0MW

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Action 11 (Recap)

3 customers requiring an OHL reinforcement-

Generator 50MW TEC	Demand 50MW Demand Capability	Hybrid 20MW TEC 50MW Demand

TOs will provide list of attributable works for each site – in this example all of the OHL reinforcement is applicable to everything listed above, so would be included as attributable works for each.

NESO now remove OHL reinforcement from the Generation security statement to avoid duplication. Demand is chosen to keep the attributable works because the demand capability is higher

This would only come into consideration for hybrid sites because for Generator or Demand sites it would be clear whether a scheme is attributable to them or not

Action 11 – (Recap)

- The reason for having this as the solution currently is for simplicity
- Have also considered identifying which works are predominantly Generator or Demand driven and using this to identify where attributable works should be removed, but this could add complexity, especially if other projects cancelling then changes what the driver is
- However, a potential issue we have identified with this approach is when fixing

Action 11 – Update

- Hybrid sites are captured under one BCA already rather than separate agreements
- These are given two separate security statements for the same BCA currently due to part being applicable to Finals Sums and part User Commitment
- We are proposing to still have two security statements as the calculation inputs are still different for Generation and Demand
- We are investigating whether there

Other scenarios:

Two Users separate users connected in the same area

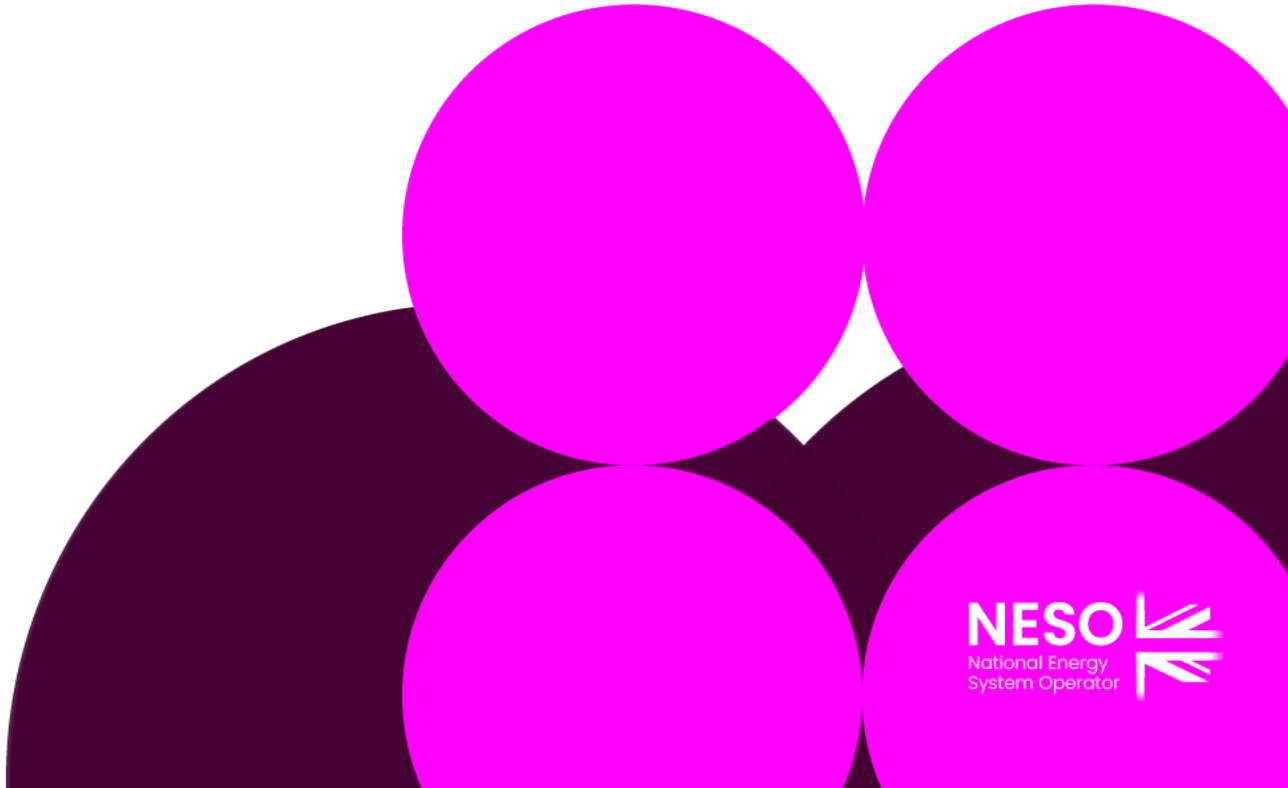
- No attributable works need to be removed as these are allocated to separate users.
- SIF and LARF will still reduce proportion that users are liable for, though as discussed in previous workgroups there is a possibility of combined SIF exceeding 100%

Generation with Demand behind the meter

- Any behind the meter demand (or generation) is completely invisible to NESO, so securities would only be calculated based on the BCA. Changing anything here would be extremely complex and have far wider implications beyond this modification

Proposer's Solution

Sean Nugent and Martin Cahill – NESO



Project Numbers

- To assess implementation, we have looked at number of demand projects, and current availability of Demand Capability data
- As well as checking any projects which we don't have a positive demand capability figure for, have also checked below 0.05MW for those which may have included a small number as a work-around

Year	Applications	Without Demand Cap	Demand Cap below 0.05MW (or not included)
2023	153	19	26
2024	191	2	15
2025	345	3	16

Legal Text Update

CUSC section	Considerations
CUSC Section 11 "Interpretation and Definitions"	• User definitions for Distribution Connected demand. Section 15 refers to Power Stations and Embedded Power Stations – need an equivalent term for demand • Attributable Works definition extended to demand • Introduce definition for demand capability to specifically apply for Section 15 purposes. This will make it clear where the number should be provided • Possibly extend Developer Capacity definition to demand
CUSC Section 15 "User Commitment Methodology", including the creation of a capacity figure for Demand	• Extend current provisions to apply to transmission and distribution connected demand
CUSC Schedule 2, Exhibit 3, Part 1 – Construction Agreement	To extend to apply this to demand: *For use with User's in the categories of (i) Power Stations directly connected to the National Electricity Transmission system, (ii) Embedded Power Stations which are the subject of a Bilateral Embedded Generation Agreement, Interconnectors directly connected to the National Electricity Transmission system or (iv) where, associated with Distributed Generation, a Distribution System directly connected to the National Electricity Transmission System*
CUSC Schedule 2, Exhibit 3, Part 2 - Final Sums Construction Agreement	Refer to implementation stages, remove once no projects remaining on Final Sums
CUSC Section 10 – Transition Issues	To address the two stages of implementation

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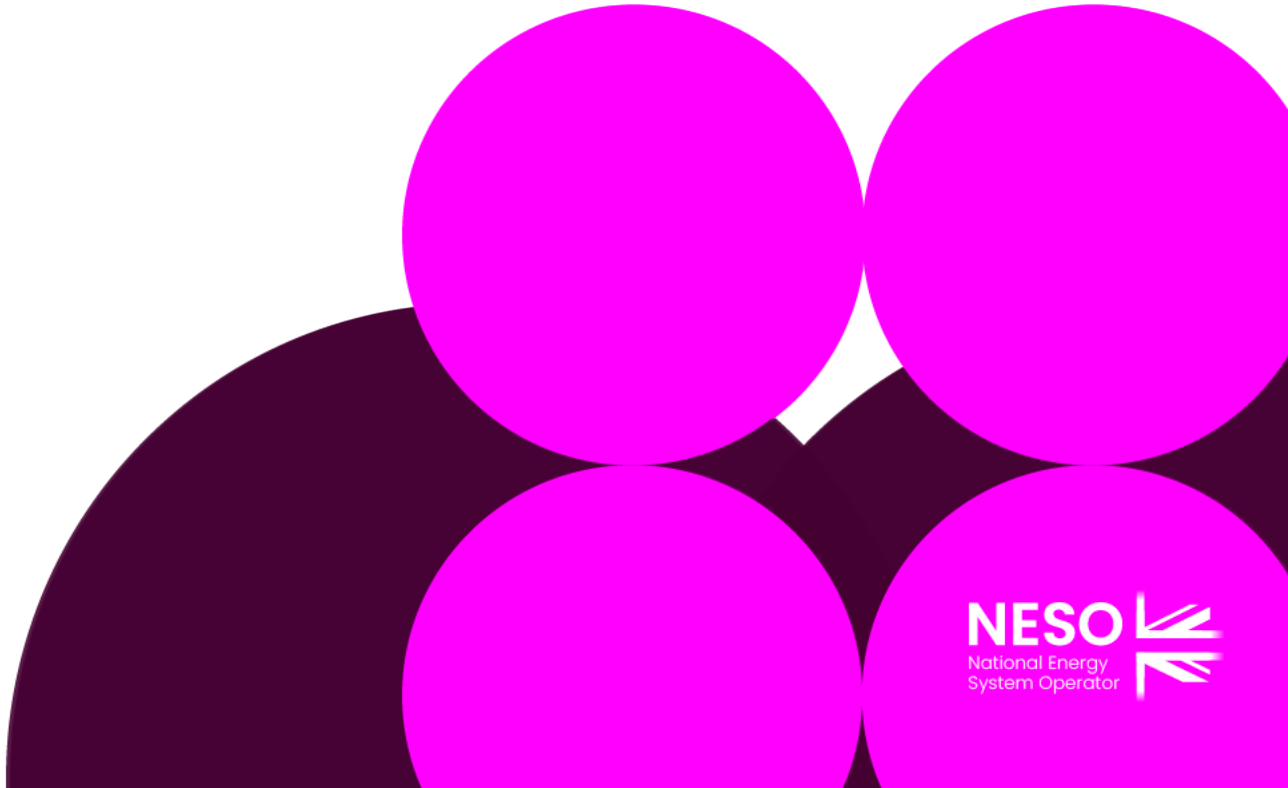
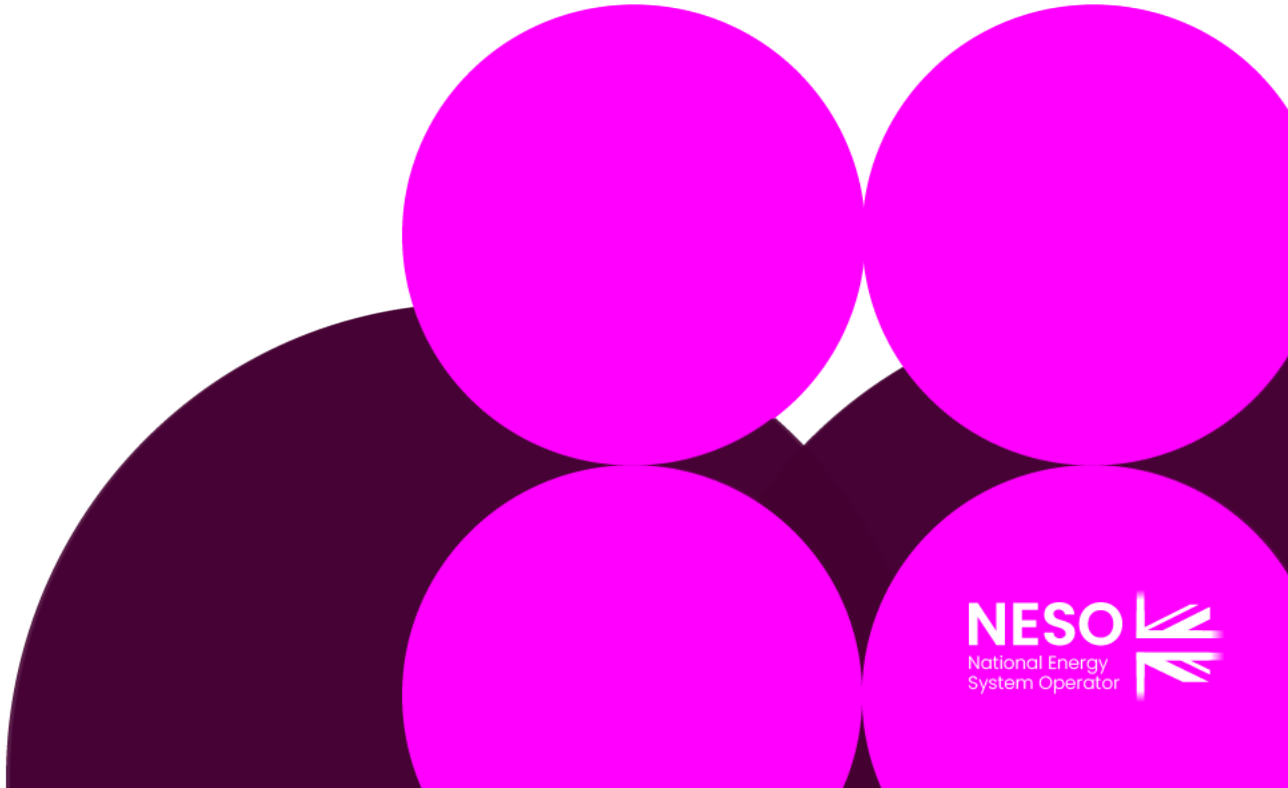
Workgroup Consultation

Robert Hughes – NESO Code Administrator



Review Timeline and Terms of Reference

Robert Hughes– NESO Code Administrator



CMP417 Timeline – Updated September 2025

Milestone	Date	Previously
Workgroup 10	**21 October 2025**	
Workgroup 11	12 November 2025	
Workgroup 12	17 December 2025	
Workgroup 13	20 January 2026	
Workgroup Consultation (15 Business Days)	02 February 2026 – 23 February 2026	28 October 2025 – 18 November 2025
Workgroup 14	16 March 2026	
Workgroup 15	7 April 2026	
Workgroup 16	30 April 2026	
Workgroup 17	26 May 2026	
Workgroup Report to Panel	18 June 2026	
Panel for ToR sign off	26 June 2026	
Code Administrator Consultation (15 Business Days)	01 July 2026 – 22 July 2026	02 December 2025 – 02 January 2026
Draft Final Modification Report (DFMR) issued to Panel	20 August 2026	14 May 2026
Panel undertake DFMR recommendation vote	28 August 2026	22 May 2026
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	28 August 2026 – 04 September 2026	26 May 2026 to 02 June 2026
Final Modification Report issued to Ofgem	07 September 2026	03 June 2026
Ofgem decision	TBC	TBC
Implementation Date	10 Business Days following Authority Decision	10 Business Days following Authority Decision

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Terms of Reference

Workgroup Terms of Reference
a) Consider EBR implications
b) Consider the transitional arrangements
c) Consider interactions with other codes or code modifications
d) Consider interactions with NESO connections reform recommendations
e) Consider financial consequences to Users
f) Consider cash flow implications on NESO
g) Consider the interaction between Demand and Generation securities

AOB & Next Steps

Robert Hughes – NESO Code Administrator