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Code Administrator Meeting

Summary

Workgroup Meeting 2: CMP414 - CMP330/CMP374 Consequential Modification

Date: 20/10/25

Contact Details

Chair: Robert Hughes, robert.hughes3@neso.energy

Proposer: Neil Dewar, neil.dewar@neso.energy

Key areas of discussion

The aim of Workgroup 3 was to relaunch CMP414 following the CUSC panel reprioritising CMP414 as high from medium within the CUSC prioritisation stack.

Objectives and Timeline Review

Robert Hughes the new Chair for this Modification explained that the CMP414 had now been designated as a high-priority (but not urgent) Modification by the CUSC panel. The Chair outlined that Ofgem's send-back was primarily due to lack of clarity on financial and time-saving benefits, insufficient analysis, and misalignment between STC and CUSC.

The Chair shared the latest timeline for CMP414 with the Workgroup. No comments were received from Workgroup members.

Agree Terms of Reference (ToR)

The Chair presented the CMP414 Terms of Reference to the Workgroup and stated they provide a clear steer for the Workgroup. The Terms of Reference were agreed by the Workgroup with no comments received from members.

Proposers Update

Scope and Asset Definition Discussion

The Workgroup discussed the scope of CMP414, particularly which assets are covered. The Workgroup discussed the distinction between contestable assets, private circuits, and assets intended for adoption by licensed transmission owners, highlighting differences in practice between England, Wales, and Scotland, and the need for precise definitions in the consultation report. The Workgroup agreed to make the Terms of Reference central to the report, ensuring each is addressed explicitly to avoid a further send-back.

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Technical and Legal Issues in Asset Contestability

The Workgroup had detailed discussion on the technical, legal, and regulatory complexities of asset contestability, focusing on the two-kilometre rule, ownership rights, and the interplay between CUSC, STC, SQSS, and the Electricity Act.

- **Two-Kilometre Rule and Regional Differences:** Several Workgroup members explained that in Scotland, contestable build is restricted to assets under two kilometres, while in England and Wales, users often build longer circuits as private assets. The Workgroup debated whether this reflects inconsistent application of rules or simply different regulatory frameworks, with a consensus to clarify which rules apply to which assets.
- **Legal and Regulatory Alignment:** The Workgroup raised concerns about the lack of clarity and alignment between the CUSC, STC, SQSS, and the Electricity Act, particularly regarding what constitutes a contestable asset, infrastructure works, and the rights of generators and demand users to own or build transmission assets.
- **Definition of Contestable and Non-Contestable Assets:** A Workgroup member highlighted the absence of a clear definition for 'infrastructure works' in the CUSC, suggesting the need for the Workgroup to define what is contestable and what is not, and to consider adopting a distribution-style approach where contestable and non-contestable works are clearly demarcated in offers.
- **Implications for Future Modifications:** The Chair acknowledged that some issues raised, such as broader legal alignment and potential expansion of contestability, may be out of scope for CMP414 but could warrant future Modifications. The Workgroup agreed to focus on the current scope while noting these wider issues for potential follow-up.

Management of Substandard Assets and Adoption Process

The Workgroup discussed the issue of managing substandard assets built by ICPs, the adoption process, and the sequencing of asset assurance, with the Workgroup agreeing to address this as a critical issue in future discussions.

A Workgroup member explained that Ofgem had raised concerns about the process for managing assets built by ICPs that may not meet adoption standards, especially if such assets could later become infrastructure assets affecting other users. The Workgroup agreed to develop a process for this scenario.

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Cross Code Impacts

Coordination with STC Modification CM079 and Process Alignment: As the Chair of both CMP414 and the consequential STC Modification CM079 the Chair shared the plan to relaunch CM079 in parallel with CMP414. With the aim of both Modifications to reach Ofgem for decision at the same time. The Chair proposed, and the Workgroup agreed, to coordinate the progress and reporting of CMP414 with CM079, ensuring aligned timetables and interlinked Workgroup discussions. The Chair shared initial thoughts to hold CM079 Workgroup meetings approximately two weeks after CMP414 meetings, with a standing agenda item to discuss issues arising from CMP414, ensuring ongoing coordination and information sharing between the two modifications. This approach responds to Ofgem's request for coordinated decision-making and ensures that any cross-code issues are addressed consistently.

Legal Text

The Workgroup discussed the need to review and potentially revise the Legal text for CMP414, ensuring it addresses Ofgem's send-back points, particularly around incentives, risk mitigation, and alignment with the STC. The Workgroup raised a potential issue in the legal drafting, where assets might be adopted before defects are fixed, and emphasised the need for proper sequencing to ensure assets meet standards prior to adoption. This will be considered in the Legal text review.

Next Steps

The Chair summarised the key actions and next steps, including clarifying asset scope, updating Legal text considering Ofgem's feedback, and structuring the Workgroup Consultation and following reports around the Terms of Reference, with each term addressed as a subheading to demonstrate compliance and reduce the risk of further send-backs.

Action Update

Action 1 (Action to remain open)

No work had been completed due to resource constraints, AP confirmed that only NG Contour's internal analysis was available. AP to review and determine what analysis from NG Contour regarding potential savings can be shared with the Workgroup, ensuring any confidential information is redacted as necessary.

Action 2 (Action to remain open)

AP replayed that this action was raised due to Ofgem's concerns about the adoption process and potential impacts if assets needed for future infrastructure were not up to standard. The Workgroup agreed to keep this as a critical issue for future Workgroup consideration.

Action 3 (Action to remain open)

The Chair confirmed that further discussion with Ofgem is required to clarify their feedback and expectations.

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Actions

Action Number	Workgroup	Owner	Action	Due by	Status
1	WG1	ND	Obtain evidence from the ENA to obtain statistics on contestability	WG 2	Open
2	WG1	WG	Look into transmission regime for additional insights on managing substandard assets	WG2	Open
3	WG1	RW	The Authority to provide clarity on lack of analysis around incentives meaning	WG2	Open
4	WG2	All	Clarify the definition and scope of assets covered by CMP414, including examples and limitations, for inclusion in the documentation.	WG3	New
5	WG2	All	Participate in fact-finding to clarify the current status quo regarding ownership and construction of transmission assets, and align understanding between the Electricity Act, Licence conditions, SQSS, and CUSC.	WG3	New

Attendees

Name	Initial	Company	Role
Robert Hughes	RH	NESO	Chair
Andrew Hemus	AH	NESO	Tec Sec
Neil Dewar	ND	NESO	Proposer

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Andrew Colley	AC	SSE Generation	Workgroup Member
Andy Pace	AP	Energy Potential Consulting Limited	Workgroup Member
Jonathan Oguntona	JO	BayWa r.e UK Ltd	Workgroup Member
Kingsley Emeana	KE	Ofgem	Authority Representative
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Tim Ellingham	TE	RWE	Workgroup Member