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Code Administrator Meeting Summary

Workgroup Meeting 3: CM093 – Extending the principles of the User Commitment Methodology to Final Sums Methodology

Date: 03 November 2025

Contact Details

Chair: Rob Hughes; robert.hughes3@neso.energy

Proposer: Steve Baker; stephen.baker@neso.energy

Key areas of discussion

The aim of Workgroup 3 was to review the CM093 and CMP417 timeline, remind the Workgroup of the Terms of Reference, and go through the discussion points raised at Workgroup 2. As well as for NESO to provide an update on the CMP417 Workgroup discussions.

Objectives and Timeline

The Chair took the Workgroup members through the consolidated timelines and objectives for CM093 and the CMP417 modifications. The Chair noted that the CUSC Panel did not approve the CMP417 revised timeline and may become condensed, but what this means remains to be determined. The timeline for CM093 may become more condensed in line with CMP417. The Chair and Proposer are to confirm with Ofgem and the CUSC Panel and provide clarity to the CM093 Workgroup members.

Action log

Actions 1 and 2 were closed as the consolidated timeline slide and key discussion points have been added. Action 3 remained open, anticipated to be addressed at WG4 in December.

Terms of Reference (ToR)

The Chair reminded the Workgroup members of the Terms of Reference that need to be addressed in the Workgroup discussions.

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Detailed areas of discussion

The Chair and Proposer presented the detailed areas of discussion points that were raised at Workgroup 2 for consideration.

What constitutes as Part 1 'work required for the User'?

A Workgroup member suggested that the System Operator Transmission Owner Code (STC) definition of "Attributable Works" should be updated to include demand sites, not just Generation. There was discussion on whether the STC should align its definition of Attributable Works with the Connection and Use of System Code (CUSC), focusing on clarity around terms like "up to the nearest Main Interconnected Transmission System (MITS) node." This distinction is important for determining the scope of Attributable Works. It was noted that CUSC 15 guidance document may already clarify this, but the legal text in the STC and CUSC should align with the actual practices by Transmission Owners (TOs) and National Energy System Operator (NESO). The Workgroup agreed that updates to the STC should maintain consistency with the CUSC to avoid confusion and duplication of definitions.

What constitutes as Part 2 'Works required for wider system reasons

Part 2 included the Workgroup considerations referring to transmission projects needed for broader system purposes, not just for specific Users. These works contribute to the wider charge, calculated by taking the total TO Capital Expenditure (CapEx), subtracting Attributable Works, and distributing the remaining costs across all Users based on which ETYS zone they are located in, and their size (TEC for Generation and Demand Capability proposed for Demand). Strategic projects, considered a type of wider works, are excluded from wider cancellation charges as they serve general system needs. CMP417 proposes changes to the "Attributable Works" definition to include demand, affecting wider works calculations as there will be more Attributable Works to exclude from total CapEx. There was an emphasis on aligning the STC with the CUSC to ensure consistent calculations and a discussion on whether more detail is needed in defining wider works, with the general consensus that the current definition is adequate. Concerns were raised regarding the need for the legal texts in the STC and CUSC to reflect the actual practices of TOs and NESO.

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How should 'shared' works be treated?

- Triggered by generation
- Triggered by demand
- Other

The NESO representative presented an update on CMP417 to address this point. There was a discussion about shared works and their treatment, focused on how to handle scenarios where works are triggered by multiple Users, such as generation, demand, or hybrid sites with both generation and demand components). The presentation provided the current proposed approach for hybrid sites in CMP417, as well as a possible change discussed in CMP417 workgroups.

- **Existing Proposal:** Assign works to the highest-rated capacity (either generation or demand) at the site.
 - This approach simplifies the process by assigning all shared works to the User with the higher capacity requirement (e.g., generation or demand).
 - It avoids the need for granular analysis of which works are required for generation versus demand.
- **Possible Change to Proposal:** Consider works based on whether they are required for generation or demand separately.
 - This approach requires detailed information from TOs to determine whether specific works are needed only for generation or demand. When works are only required to accommodate the generation component of a hybrid site, these would then only be included as attributable for the generation statement, and vice versa.
 - While possible, this approach adds complexity and may lead to discrepancies or uncertainty.

The Workgroup indicated a preference not to change the existing proposal, where shared works are assigned to the highest-rated capacity at the site. This approach is

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simpler, avoids unnecessary complexity, and aligns with the practical processes followed by TOs. For hybrid sites, the conversation proposed the following:

- Two separate security statements would be issued: one for generation and one for demand.
- Attributable Works would only appear in one of the security statements to avoid double charging.

The process for hybrid sites was outlined as follows:

- TOs provide a list of Attributable Works for each site, including shared works triggered by multiple users.
- For hybrid sites, works are assigned to the highest-rated capacity (generation or demand), so that they do not appear in multiple sets of attributable works for the same customer.
- Security statements are issued accordingly, ensuring no duplication of liabilities.

Clarification of Differences between security and liability,

The discussion noted their distinct roles in the user commitment methodology. Here's a breakdown of the key points:

- **Security:**

- Security refers to the upfront financial commitment that a User provides to cover potential liabilities.
- It is a financial guarantee placed by the User to ensure that funds are available to cover costs if the User cancels their project or fails to meet their obligations.
- Security is typically required within 30 days of signing a connection agreement or modification application.

- **Liability:**

- Liability represents the actual cost exposure for works attributable to the User.
- It is calculated based on factors such as:
 - Spend to date: The amount already spent on the works.
 - Forecasted spend: The estimated costs for the next 6 months.

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- SIF (Strategic Innovation Fund): A factor that reflects the User's share of the Attributable Works.
- LAF (Long Duration Electricity Storage): A factor that accounts for the long-term impact of the works.

It was clarified that security and liability are not the same and should not be confused. Security is a temporary financial commitment that may be adjusted as liabilities change over time. Liability is the final cost that the User must pay, based on the actual expenses incurred for the works. The Workgroup highlighted the importance of ensuring that documentation clearly distinguishes between security and liability. Current guidance documents already outline the differences, but it was stressed that there is a need for clarity in any new documentation produced as part of the modifications.

Acknowledge market dynamics and related policies

The Workgroup discussed market dynamics and related policies, focusing on managing demand volumes and complexities in transmission processes. Key topics included fluctuations in demand and generation influenced by factors like decarbonisation and hybrid sites. Policies such as Connection Reform Modifications and embedded demand growth were noted, alongside the exclusion of strategic projects from cancellation charges in CMP417 discussions.

Addressing the complexity of TOCO and TOCA processes, including lead times for implementation.

The Workgroup highlighted the complexity of Transmission Owner Construction Offer (TOCO)s and Transmission Owner Construction Agreement (TOCA)s processes, particularly in the context of lead times for implementation and the need for updates to align with proposed modifications. TOCO and TOCA processes are distributed across several Standard Transmission Connection Procedure (STCP)s, including STCP16 which covers aspects of construction planning and delivery. As well as STCP19.2 which focuses on the financial aspects of construction works. This distribution can make it challenging to ensure consistency and clarity across all procedures. Extending the principles of User commitment methodology to final sums methodology adds another layer of complexity to TOCO and TOCA processes. This requires careful coordination between TOs, NESO, and Users to ensure liabilities and security are calculated accurately. It was suggested that

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existing STCPs, such as STCP 13.2, may need to be amended to clarify TOCO and TOCA processes for final sums methodology Users. Specimen Form for TOCO needs to be clear what is attributable /non-attributable. Alternatively, a new STCP could be created to provide a dedicated framework for managing TOCO and TOCA processes under the final sums methodology. Ensuring that all documentation clearly outlines the roles, responsibilities, and timelines for TOCO and TOCA processes was highlighted as a priority. The discussion emphasised the need for realistic timelines that balance urgency with feasibility.

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None.

Next Steps

- Chair to provide Workgroup members with the first draft of the Workgroup Consultation document.
- Workgroup to consider if further discussion points are needed.
- Workgroup to consider consultation questions.

Action log

For the full action log, click [here](#).

Action Number	Workgroup Raised	Owner	Action	Due by	Status
3	WG2	MC	Provide generic examples from CMP417 to illustrate the changes and calculations.	WG4	Open
4	WG3	SB	Align the legal text of CM093 with CMP417 and CMP103 to avoid discrepancies between codes. SB to consult with and stakeholders to ensure the alignment of definitions and	WG4	Open

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			processes across the STC and CUSC.		
5	WG3	RH/SB	Summarise interactions with other Connections Work and modifications.	WG4	Open

Attendees

Name	Initial	Company	Role
Rob Hughes	RH	NESO	Chair
Jess Rivalland	JR	NESO	Technical Secretary
Steve Baker	SB	NESO	Proposer
Gareth Williams	GW	SPT	Workgroup Member
Harriet Eckweiler	HE	SHET	Workgroup Member Alternate
Martin Cahill	MC	NESO	Observer
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Neil Bennet	NB	SHET	Workgroup Member