Public

CMP417: Extending principles of CUSC Section 15 to all Users

Workgroup 11, 12 November 2025

Online Meeting via Teams

NESO
National Energy System Operator

WELCOME

NESO
National Energy System Operator

Agenda

Topics to be discussed	Lead
Introductions, Objectives and Actions	Chair
Proposer presentation	Proposer
Legal Text	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	Still on track to have examples created by end of November and shared at Workgroup 12	Open
12	SN/MC	Provide summary of solution within Workgroup Consultation document	To review with WG	Open
13	SN/MC	Further consider how embedded customer information will be collected and provide an example.	Update included in slides	Propose to close
14	SN/MC	Consider whether Demand customers will be included into the Statement of Works document, Appendix G table or other documentation/list.	Update included in slides	Propose to close

Action 13/14

Further consider how embedded customer information will be collected and provide an example, Consider whether Demand customers will be included into the Statement of Works document, Appendix G table or other documentation/list.

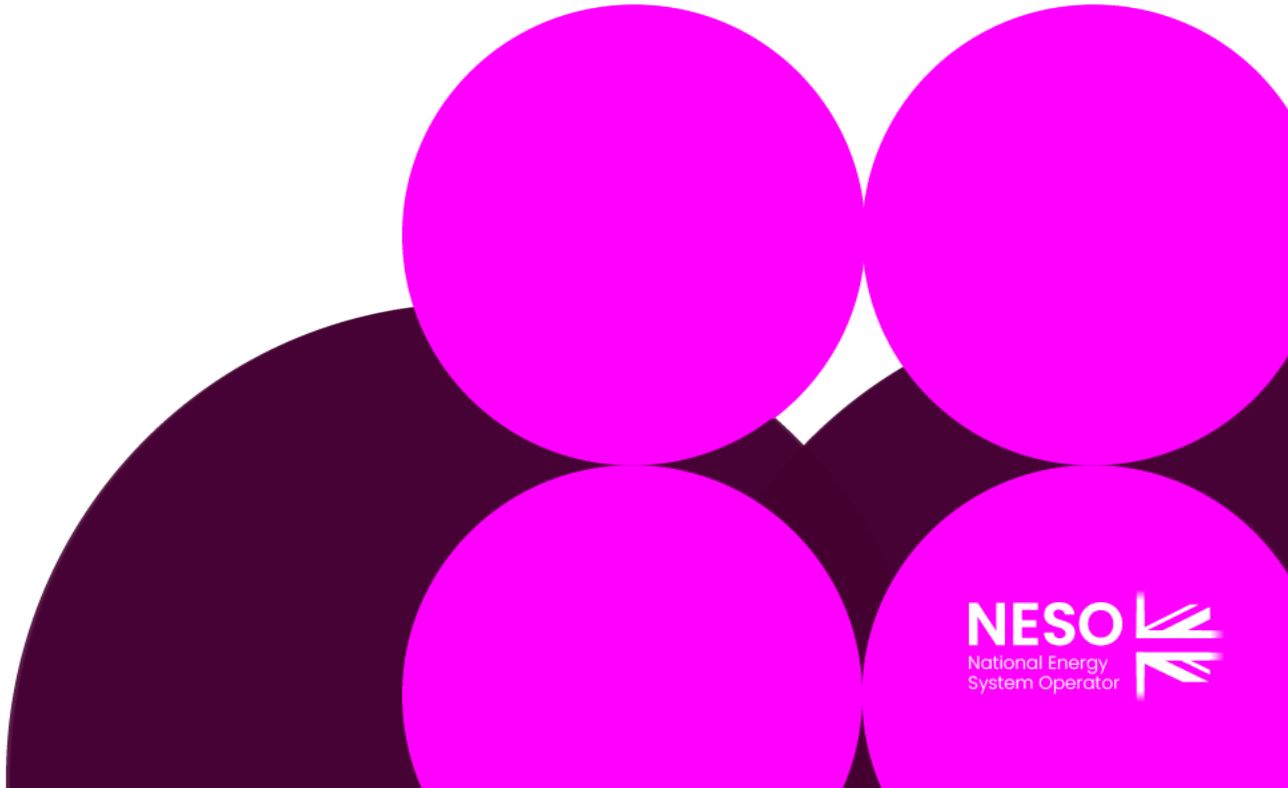
- Under current process, multiple embedded demand projects are not included in the same DNO Mod App
- If an embedded demand project is significant enough to trigger a Mod App, there will be one construction agreement which covers the required Transmission Works. This means there is no requirement to split down liabilities in a construction agreement further
- Suggest the right approach to take for CMP417 is to keep this one-to-one mapping

Action 13/14

- If multiple embedded projects were allowed within the same Construction Agreement/Mod App, we would require a similar process to Generation – e.g. Statement of Works, Appendix G
- Introducing this type of process for Generation would be a more wide-reaching change and would increase the scope of this modification
- Appendix G was introduced to manage volume of Generation applications, and while demand connections are increasing, more fundamental changes to processes such as this should be considered elsewhere

Proposer's Solution

Sean Nugent and Martin Cahill – NESO



DNO Considerations

Load Growth vs Specific Project

In Workgroup 10, it was discussed that it would be helpful to have clearer guidance on the difference between a Mod App triggered by load growth vs triggered by specific embedded projects

Specific Project:

A DNO may decide that an embedded demand connection is significant enough to trigger a Modification Application to NESO. There will be variety of factors taken into consideration to decide on this.

Load Growth/Residual:

Essentially by this we mean a requirement for works which isn't associated with a specific embedded project. For example, many projects could have been connected over time which individually weren't significant enough to warrant a Mod App, but the DNO's demand requirements could have grown to a point at which reinforcement is required.

How do DNOs typically assess whether an embedded demand scheme is significant enough to trigger a Modification Application?

- Unlike embedded generation, which has different thresholds to define whether a Transmission Impact Assessment is required, there is no defined threshold (either in Codes or formal processes) to consider the impact of embedded demand on the Transmission System
- DNOs forecast demand as part of the Week 24 process for submission to NESO and TOs. A combination of insights from Week 24 and collaboration with TOs through regular Technical Planning Meetings is used to inform whether an embedded demand scheme is significant enough to warrant a Mod App
- There are no plans currently to bring in a threshold for embedded demand Modification Applications. However, it is something that could potentially be explored in future ENA workgroups
- There is a project looking at a thresholds for whether a project should connect at Distribution vs Transmission level, a Mod App threshold could be a future progression of this

Load Growth

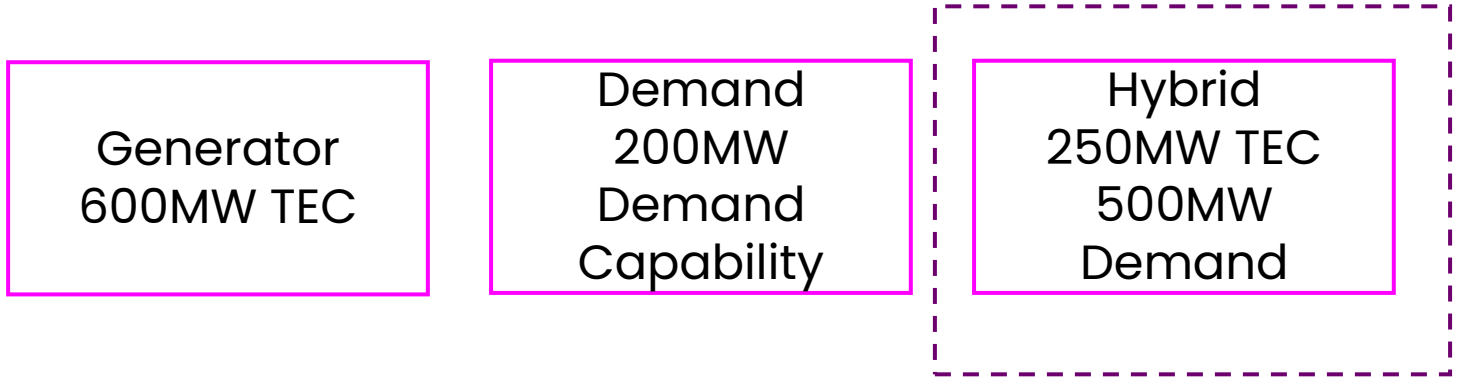
- Load growth on distribution networks is captured via **Week 24 process**.
- DNOs provide **8-year forecasts**, refreshed annually.
- TOs carry out NETS SQSS compliance assessments for each GSP, with any non-compliance discussed at technical planning meetings
- Modification Application may be submitted if reinforcement works are required to address non compliance

What this means for CMP417

Load Growth	Specific Project
• Demand Capacity figure to be based on DNO long term forecasts as per week 24 • Take into consideration when there is forecast to be a non-compliance, what demand is at this point, and how much higher demand is forecast to grow beyond this point	• Demand Capacity figure is based on the maximum demand required by the project which is triggering the Mod App

Fixing Issue Update

- In previous workgroups we have discussed the solution to ensure attributable works are not duplicated in two separate security statements for a site which has generation and demand
- Returning to this topic to discuss solution to fixing issue
- As discussed previously, where works are attributable to both generation and demand, the plan was to assign these to the highest component of the hybrid site – Demand in this case (500MW vs 250MW)
- If producing two separate security statements for the Hybrid site, there was a risk that fixing one and at a later date cancelling the other would result in attributable works being excluded



Fixing Issue Update

- Attributable Works A and B are required to accommodate generation and demand
- Attributable Works C are only required for generation

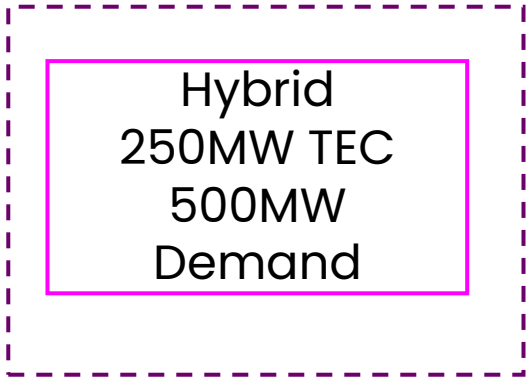
Security Statement Demand	Security Statement Generation
• Attributable Works A and B (assigned to highest)	• Attributable Works C (demand only)

Hybrid
250MW TEC
500MW
Demand

- If site fixed Generation security statement and later cancelled Demand part of plant, Attributable Works A and B could no longer be included in Generation Security Statement
- While further costs would be incurred for these works over time, the Generator would not be liable

Fixing Issue Update

- A slight tweak to avoid this would be to only produce one security statement for the hybrid site, with the MW figure for the calculation will be based on the highest of TEC or Demand Capability
- Site then only has one statement which can be fixed or kept on actuals, and means that the site is always liable for works which it has triggered
- Does not allow for separating certain works which are only required for one component (e.g. only required for generation), but avoids a gaming risk. This also would keep simplicity in solution

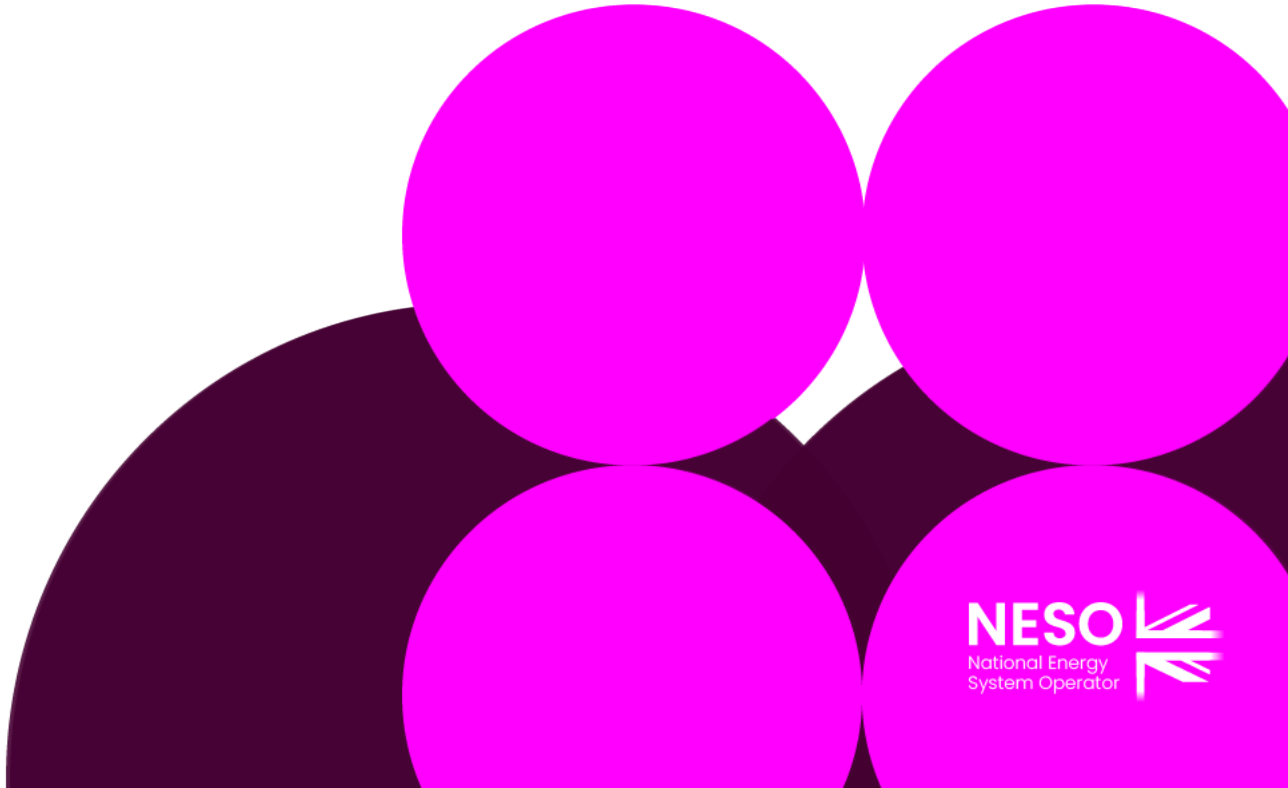


CMP417 Transitional Arrangements

- For sites which have accepted demand offers before CMP417 implementation:
- Individual Construction Agreements will need to be updated to reflect that site is now liable for User Commitment instead of Final Sums
- BCA does not need to be updated as this doesn't cover security/liability
- Most of this sites should have a demand figure available already, where this isn't a figure will be agreed with the customer
- Once construction agreement updated, site will remain on Final Sums until the new security window at which point User Security will apply
- We will follow up at subsequent workgroups with more detailed plan for these arrangements

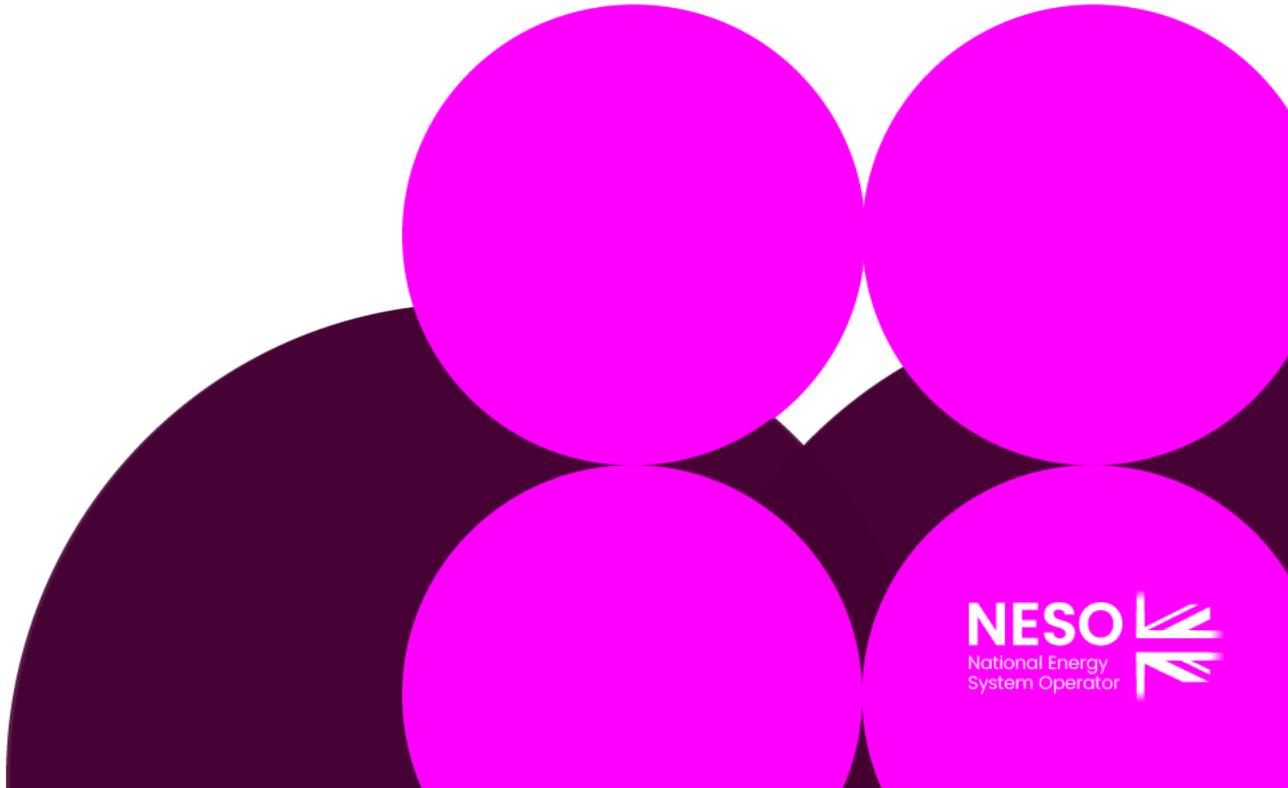
Workgroup Consultation

Robert Hughes – NESO Code Administrator



Timeline and Terms of Reference

Robert Hughes– NESO Code Administrator



CMP417 Timeline – Updated September 2025

Milestone	Date
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
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
Draft Final Modification Report (DFMR) issued to Panel	20 August 2026
Panel undertake DFMR recommendation vote	28 August 2026
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	28 August 2026 – 04 September 2026
Final Modification Report issued to Ofgem	07 September 2026
Ofgem decision	TBC
Implementation Date	10 Business Days following Authority Decision

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