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Code Administrator Meeting

Summary

Workgroup Meeting 11: CMP417 Extending principles of CUSC Section 15 to all Users

Date: 11 November 2025

Contact Details

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

Proposer: Martin Cahill, Martin.Cahill@neso.energy

Key areas of discussion

The Chair outlined the agenda of the meeting, which included an update of the timeline, Actions, Proposer's solution and a run through of the main points in the Workgroup Consultation.

Click [here](#) to view the slidepack.

Timeline

Updated Timeline

The Chair informed the Workgroup that the CUSC Panel expressed concerns about delays in the modification process and requested a revised, expedited timeline. The new timeline to be presented to the CUSC Panel results in the FMR being delivered two months earlier than previously planned.

Ofgem's Open Letter

The Workgroup discussed [Ofgem's open letter](#) which emphasised the priority status of CMP417 due to increasing demand projects and the need for NESO to address demand queue issues.

The Workgroup also discussed the scope of CMP417 with the Proposer highlighting this modification is intended to address the imbalance between generation and demand securities, ensuring equitable treatment. It was noted that broader issues, such as those raised by Ofgem regarding the demand queue, may require separate future modifications rather than expanding the scope of CMP417.

The group agreed that the modification should proceed as a priority, with further feedback to be sought from the panel.

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Implementation Plan

The Workgroup discussed concerns about the practicalities of implementing the modification, particularly the process for revising construction agreements for existing schemes and the timing relative to security windows. The Proposer agreed to develop a detailed implementation plan (**Action 15**).

Actions

Actions 13 and 14 were closed in the Workgroup

Action 9 Update – this Action is to provide examples showing the financial impact of the modification, specifically comparing current final sums liability with the proposed use of security for different scenarios. These examples are being developed and are expected to be shared with the Workgroup at the next meeting (Workgroup 12).

A Workgroup member advised they had carried out their own example on liabilities and shared the spreadsheet with the Workgroup. They have developed a calculator to model the financial impact of the proposed modification, comparing final sums and CMP417 securities/liabilities for demand connection schemes.

To use the spreadsheet calculator, it requires manual input of scheme details, including demand capacity, ETA zone, connection asset works, reinforcement works, and other assumptions like the location relative to the MITS node and the LARF (Loss Asset Reuse Factor).

The Workgroup member highlighted challenges in creating accurate examples due to the need for detailed data and assumptions, and noted the tool is more for indicative purposes. They queried how staging (incremental vs. total capacity) should be handled in the calculation of attributable and wider liabilities, suggesting this needs further clarification in the Workgroup Consultation.

The Spreadsheet Example will be uploaded to the Collaboration Space.

Action 12 Update –The Chair encouraged Workgroup members to review and comment on the Workgroup Consultation before the next Workgroup, so feedback can be considered in depth

Action 13 and 14 – The Proposer advised these actions had been combined, focusing on whether embedded customer information for demand should be collected similarly to generation (e.g. using an Appendix G-type process).

The Workgroup considered whether to maintain the current one-to-one approach (one modification application per embedded demand connection) or allow grouping multiple projects in a single application.

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It was noted that while DNOs typically submit individual applications for large users, they may aggregate needs in practice. The process should reflect how DNOs manage demand at the interface, not just for individual users.

The current process does not preclude grouping, but one-to-one is simpler.

Concerns were raised about administrative efficiency if many small users are submitted separately. It was suggested the process should avoid excessive volume and consider future demand queue visibility.

Proposer's Solution

DNO Considerations

The Proposer described two DNO work types: specific projects, which get individual mod apps, and load growth, which leads to reinforcement not tied to a single project. Criteria for triggering a mod app are varied and will be detailed further.

The Workgroup discussed introducing a defined term to distinguish significant projects from general demand and noted that “distributed demand” is already defined in the draft legal text, with room for refinement.

A Workgroup member cautioned against arbitrary thresholds, highlighting risks of unnecessary applications and potential discrimination in customer connection choices.

A Workgroup member proposed using “connection site demand capability” as the trigger for DNO referrals, considering site and regional constraints rather than fixed thresholds. The Proposer agreed to pass these points to the ENA and noted threshold issues would be for CMP417.

There were discussions for load growth mod apps, noting there is no set maximum import capacity; incremental demand above existing capability should trigger works, and standardisation is needed.

Discussion around hybrid sites, a single security statement based on the highest capacity (generation or demand) was proposed to avoid duplication and gaming, with liability adjusting if the higher component is cancelled; further refinement may be needed.

Load Growth

A Workgroup member queried whether there is a defined maximum import capacity for a DNO at a grid supply point and if load growth modification applications should be

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based on total or incremental capacity, especially in cases where no such capacity is defined.

The Proposer responded that there is no set maximum import capacity, but the "connection site demand capability" is specified in the BCA. For load growth, they recommended using the DNO's long-term forecasts, fixed at a specific point in time, to determine incremental capacity needs. These needs could be contractually recorded and used to calculate liabilities. For specific embedded projects, the maximum demand from the application would be used.

The Workgroup discussed that for both individual demand users and load growth, the trigger for works should be the increment above the existing connection site demand capability, not the total new demand. Only the excess over the current capability should be considered for triggering works. It was noted that the process should inherently account for the additional figure above the current capability, whether for specific projects or diversified load growth. It was further noted that Transmission Operators (TOs) do not always apply this consistently, and further work is needed across networks to standardise the approach.

Fixing issues update

The Workgroup discussed a single security statement for hybrid sites (with both generation and demand) is proposed, using the higher capacity to set liabilities. This approach simplifies the process and avoids duplication but may leave some stranded costs if only part of the site is changed. Further refinement may be needed for unusual cases.

Workgroup Consultation

The Chair took the Workgroup through the draft Workgroup Consultation report, by reviewing the headings and key issues.

The Chair explained that the legal text for CMP417 is being developed early so participants can clearly see the proposed changes to CUSC. It was emphasised that while the draft legal text will be available for the Workgroup Consultation, the final version will only be completed after the consultation period to ensure industry feedback is incorporated.

A Workgroup member noted that "demand capacity" and "demand capability" were used interchangeably in the draft report and recommended tidying up the language to consistently use one term, as there was no difference in meaning between the two.

A Workgroup member suggested when calculating the relevant demand capacity for reinforcement, it should be the incremental capacity that actually requires the works

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(e.g. the portion above existing headroom), not the full new demand capacity. Noting that the current wording in the draft implies the total new capacity is used, but the calculation should focus on the part that triggers the reinforcement.

Workgroup members discussed the linkage between CUSC and STC regarding termination by user. It was pointed out that CUSC user termination, while STC has a final sums recovery process from TO to SO, which is explicitly triggered by user termination. It suggested clarifying how changes to requirements short of termination (such as a drop in demand or generation requirements) would be handled, as these may not strictly trigger the STC termination process. A suggestion to consider abortive works charges and stressed the need to ensure the consumer is not exposed to unexpected liabilities in these scenarios.

The Proposer responded this will be covered in modification CM093.

Legal Text

The Proposer stated that the draft legal text was available to view in the CMP417 Collaboration Space. The Proposer stated it still requires a full legal review, so changes may occur before the final version.

AOB & Next Steps

The Chair advised:

- The timeline will be re-presented to the CUSC Panel on Friday, 14 November for approval.
- The calculation example spreadsheet will be uploaded to the Collaboration Space.
- Workgroup to review and continue add their comments to the Workgroup Consultation, so that a more detailed review can take place at the next meeting

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	WG12	Open

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			works <i>Update: Proposer to look into examples which show financial impact at a future workgroup.</i> <i>Further update: consider how one-off works are split between multiple customers, specifically whether they should be allocated based on capacity or another principle</i>		
12	WG7	SN/MC	Provide summary of solution within Workgroup Consultation document	WG9	Open
13	WG10	MC	Further consider how embedded customer information will be collected and provide an example.	WG11	Closed
14	WG10	MC	Consider whether Demand customers will be added to a document similar to a Statement of Works or Appendix G table	WG11	Closed
15	WG11	MC	Develop a detailed implementation plan for reissuing Construction Agreements	WG13	Open

Attendees

Name	Initial	Company	Role
Robert Hughes	RH	NESO	Chair
Tametha Meek	TM	NESO	Technical Secretary
Martin Cahill	MC	NESO	Proposer
Sean Nugent	SN	NESO	Proposer Alternate

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Allan Love	AL	SPT	Workgroup Member Alternate
Charles Deacon	CD	Eclipse Power Networks	Workgroup Member
Christopher Patrick	CP	Ofgem	Authority Representative
Damian Clough	DC	SSE	Workgroup Member
Folashadé Popoola	FP	NESO	Subject Matter Expert
Hamzah Ahmed	HA	Everwell Development Limited	Observer
Jonathan Clark	JC	SHET	Workgroup Member Alternate
Kirsty Dawson	KD	Statkraft	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Mustafa Cevik	MC	UK Power Networks	Workgroup Member Alternate
Ollie Easterbrook	OE	NGED	Workgroup Member
Pete Aston	PA	Statkraft UK	Workgroup Member Alternate
Steve Baker	SP	NESO	Observer
Steve Halsey	SH	UK Power Networks	Workgroup Member
Tim Ellingham	TE	RWE	Workgroup Member
Zivanayi Musanhi	ZM	UK Power Networks	Workgroup Member Alternate