Public

CMP417: Extending principles of CUSC Section 15 to all Users

Workgroup 12, 17 December 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

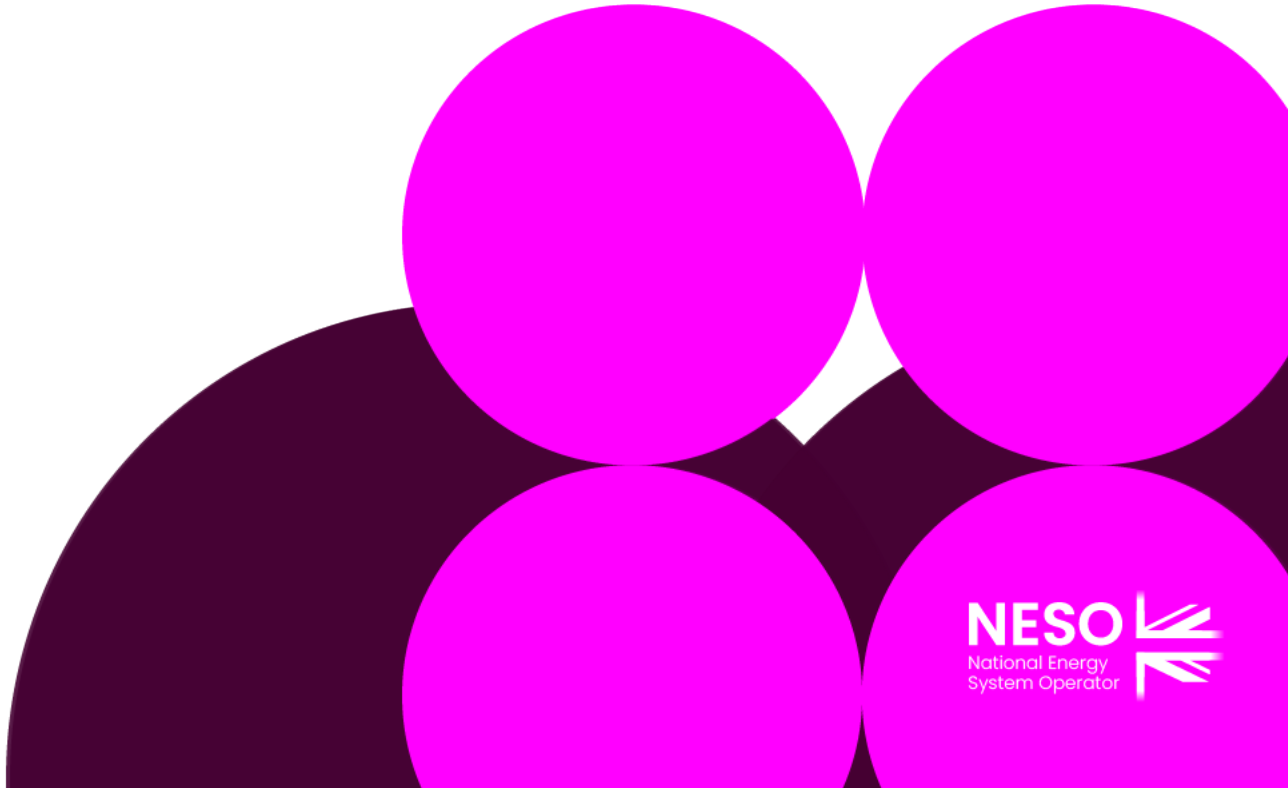
- Help refine/develop the solution(s)
- Bring forward alternatives as early as possible
- Vote on whether or not to proceed with requests for Alternatives
- Vote on whether the solution(s) better facilitate the Code Objectives

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	Examples included in slides today	Propose to close
15	SN/MC	Develop a detailed implementation plan for reissuing Construction Agreements.	Update included today but action to remain open as more detail is added	Open

Proposer's Solution

Martin Cahill – NESO



Examples – Final Sums vs User Commitment

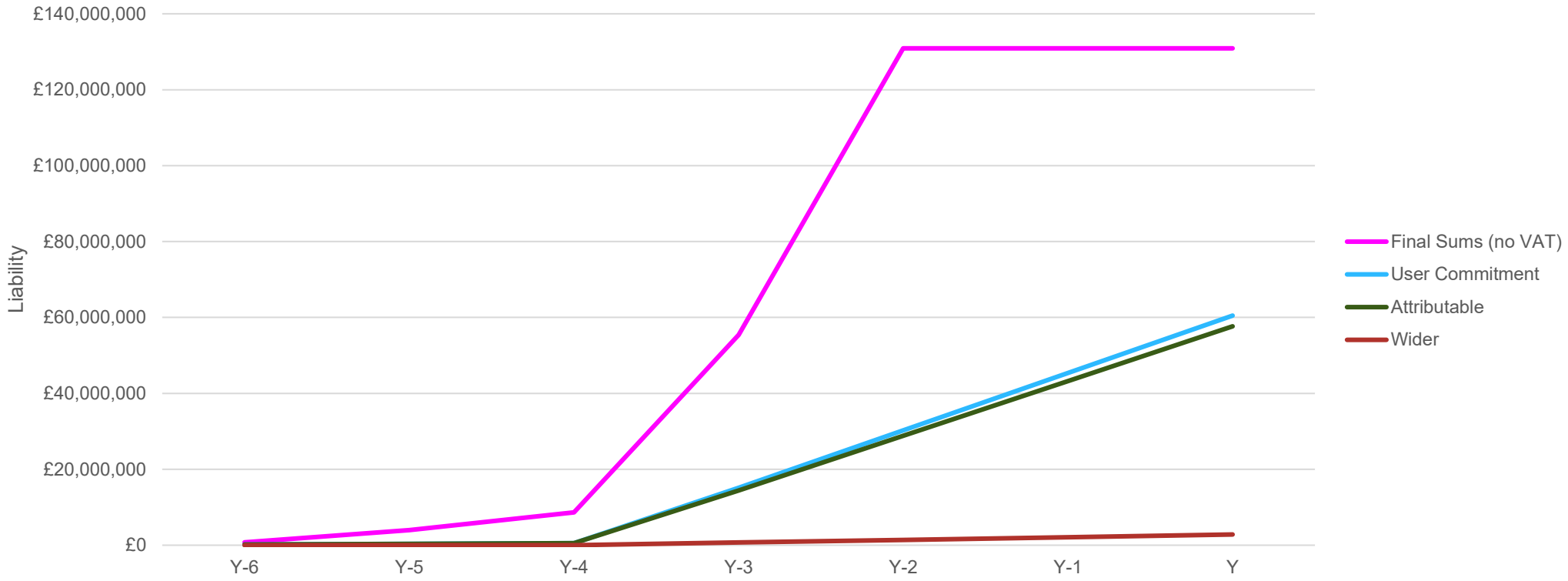
- Real data has been used for these examples, with numbers rounded
- These examples show large reductions in security and liability for projects which have large final sums figures. Not every project would see a reduction as large as this
- Individual results will vary based on SIF and LARF for attributable works, as well as the ETYS zone which the project is located in
- Have calculated examples where there is existing data (e.g. attributable works which also have generation associated so SIF, LARF information available)

Examples – Snapshots

Scenario	Final Sums	User Commitment - Security	User Commitment Cancellation Charge	Wider Liability	Attributable Liability	Reduction (Security)
A	£400,000,000	£34,000,000	£34,000,000	£0	£34,000,000	91.5%
B	£8,500,000	£58,000	£580,000	£60,000	£520,000	99.3%
C	£740,000	£23,300	£233,000	£220,000	£13,000	96.9%
D	£320,000	£145,000	£145,000	£0	£145,000	54.7%

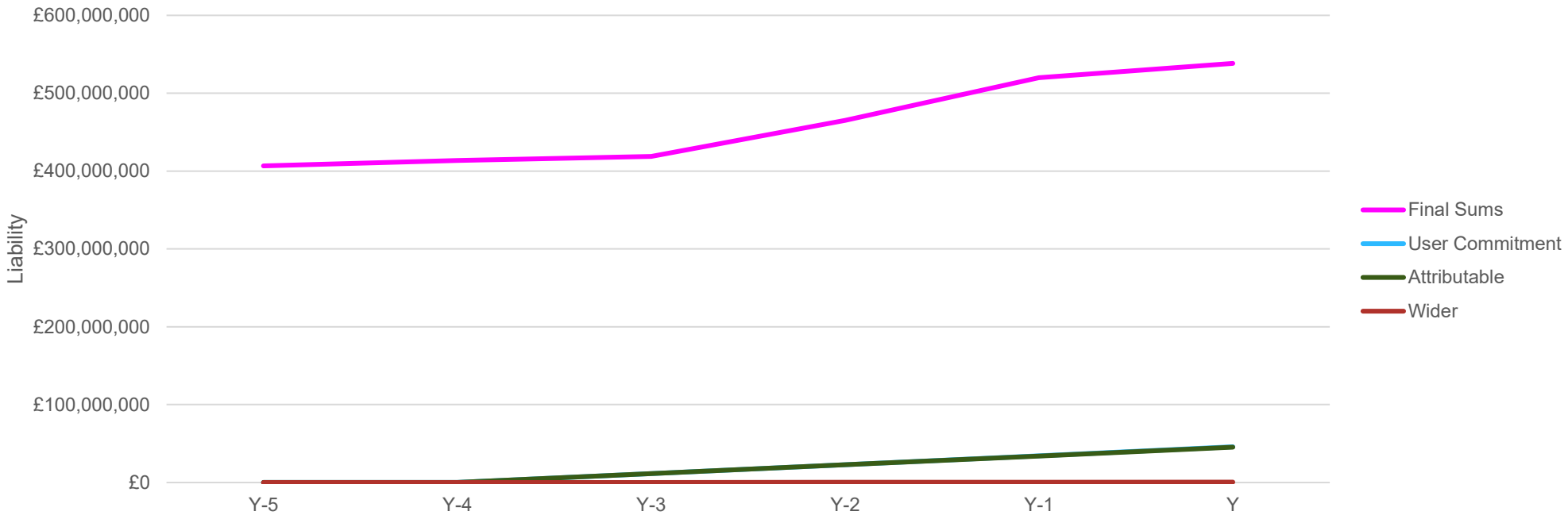
- A – Pre Trigger so no Wider Cancellation Liability. 100% of cancellation charge must be secured
- B – Post Trigger, 10% of cancellation must be secured, 1 year before connection so wider is 75%
- C – Post Trigger, 10% of cancellation must be secured. Year of connection so wider is 100%
- D – Pre Trigger so no Wider Cancellation Liability. 100% of cancellation charge must be secured

Examples – Timeline 1



- Wider cancellation charge paid from Y-3 onwards – this makes up a small proportion of overall liability
- User Commitment is smaller than Final Sums throughout timeline

Examples – Timeline 2



- Wider cancellation charge paid from Y-3 onwards – this makes up a small proportion of overall liability
- User Commitment is smaller than Final Sums throughout timeline
- Reduction for this project is greater than first example because there are greater reductions through SIF and LARF

Examples – Thoughts

- Are these examples useful?
- Are there any workgroup concerns about CMP417 solution in terms of financial impact?
- Is there anything else which would be useful to investigate ahead of workgroup consultation?

CMP417 Transitional Arrangements (Slide from WG11)

- 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

Further Implementation Thoughts

- We plan to provide a more detailed approach for implementation in January
- Initial thoughts are that implementation target could be the January 2027 Security Run
- Discussing data requirements with TOs through CM093

Staged Projects Clarification

- A new security record will only be created if there is an increase in Demand Capacity or TEC between stages
- For example if a Generator was moving from non-firm to firm between stages, it would all be covered under one security record
- If there is an increase in TEC or Demand Security then the incremental capacity will be used for the purpose of calculating SIF and Wider Liability for that stage

e.g.:

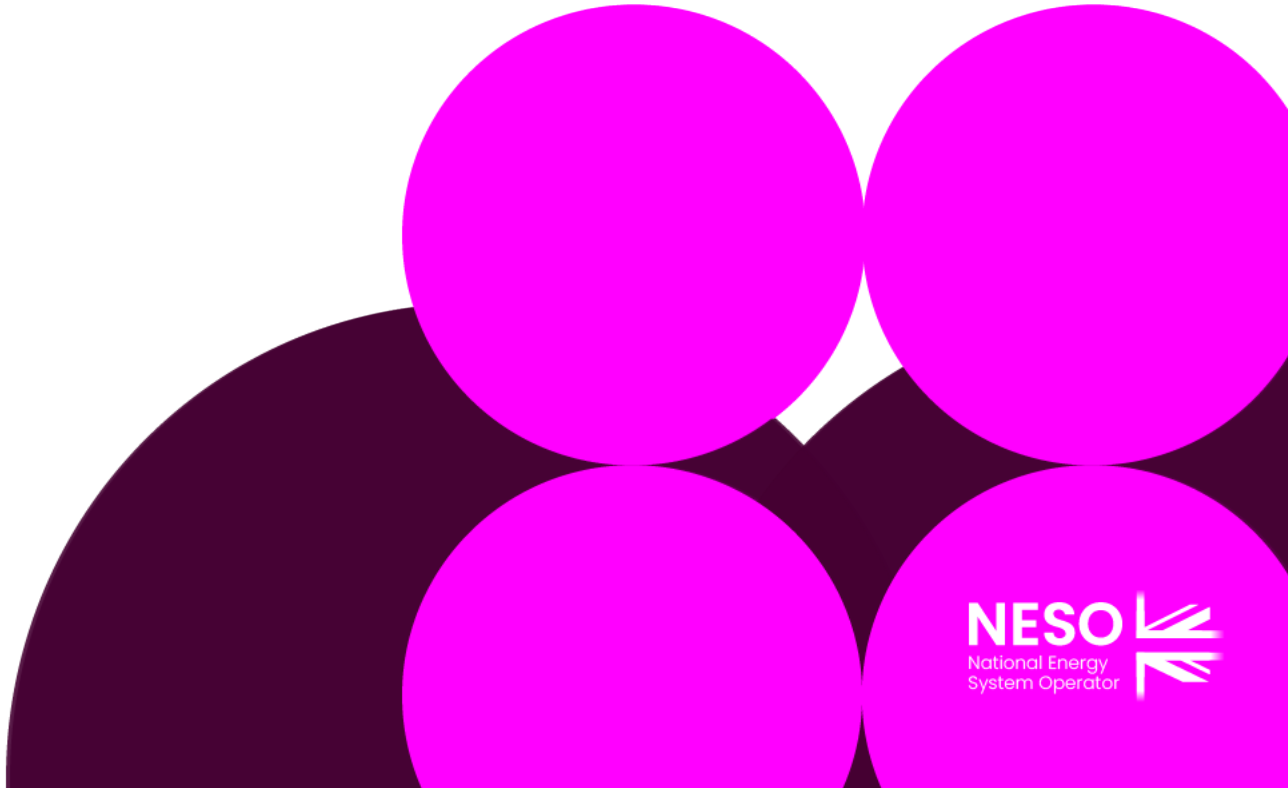
Stage 1 – 100MW Demand Capacity new Connection

Stage 2 – increase Demand Capacity to 150MW

There would be two security records created – Stage 1 uses 100MW to calculate SIF and Wider Liability, Stage 2 uses 50MW to calculate SIF and Wider Liability

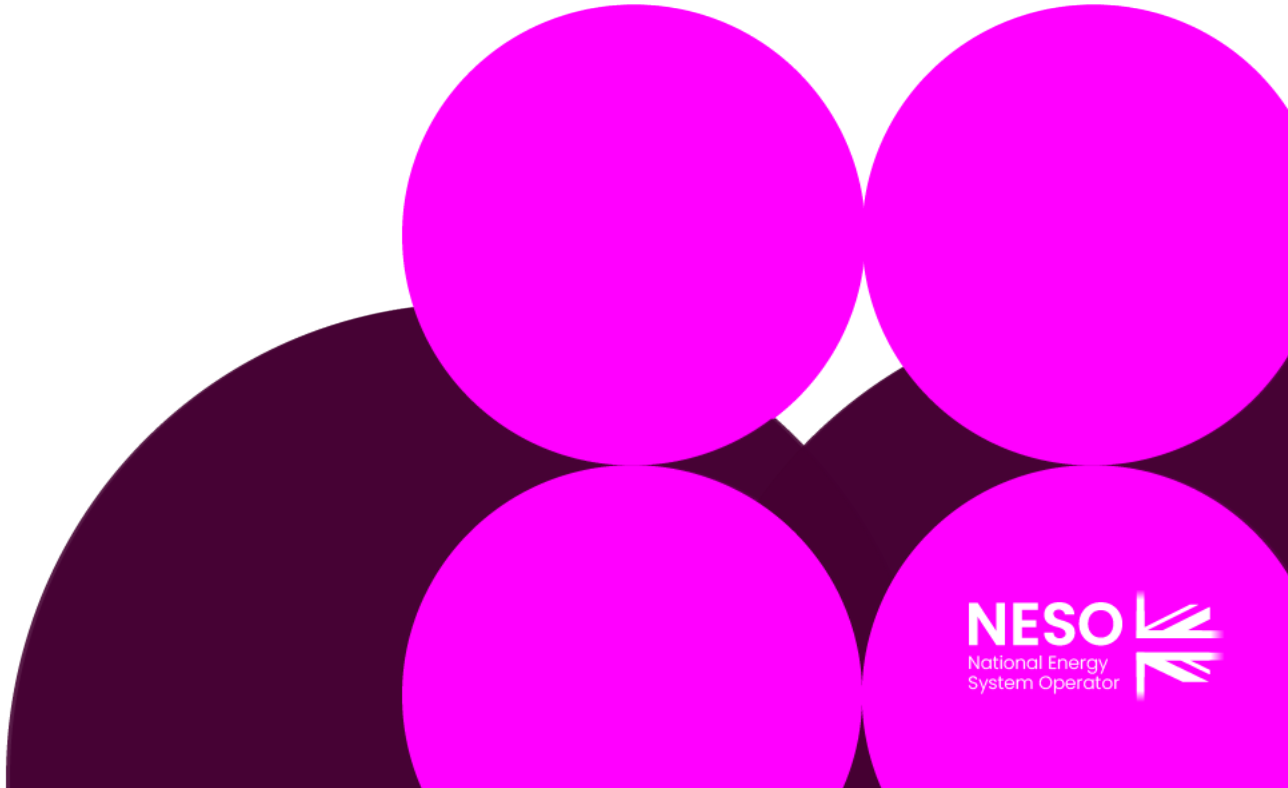
Workgroup Consultation

Robert Hughes – NESO Code Administrator



Timeline and Terms of Reference

Robert Hughes– NESO Code Administrator



CMP417 Timeline – Updated November 2025

Milestone	Date
Workgroup 12	**17 December 2025**
Workgroup 13	13 January 2026
Workgroup Consultation (15 Business Days)	19 January 2026 – 06 February
Workgroup 14	17 February 2026
Workgroup 15	10 March 2026
Workgroup 16	31 March 2026
Workgroup 17	none
Workgroup Report to Panel	16 April 2026
Panel for ToR sign off	24 April 2026
Code Administrator Consultation (15 Business Days)	28 April 2026 – 19 May 2026
Draft Final Modification Report (DFMR) issued to Panel	18 June 2026
Panel undertake DFMR recommendation vote	26 June
Final Modification Report issued to Panel to check votes recorded correctly (5 Business Days)	26 June – 03 July
Final Modification Report issued to Ofgem	06 July
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