CMP417: Extending principles of CUSC Section 15 to all Users

Workgroup 13, 13 January 2026

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

NESO
National Energy
System Operator

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

NESO
National Energy System Operator

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 to remain open as some details to confirm	Open
16	MC	Worked examples: • Investigate whether DNO examples can be provided • Add MW values • Include Scottish assets • Include drop in post-trigger security requirements	Included in slides today	Propose to close
17	MC	Workgroup Consultation: • Clarify 10% security requirement • Include CMP192 diagrams to illustrate changes over project lifetime • Clarify wider liability calculations • Include implementation arrangements	Updates made in consultation report	Propose to close
18	MC	Make adjustments to the legal text and review with NESO legal prior to Workgroup Consultation	Feedback to be provided at workgroup	Open

NESO
National Energy
System Operator
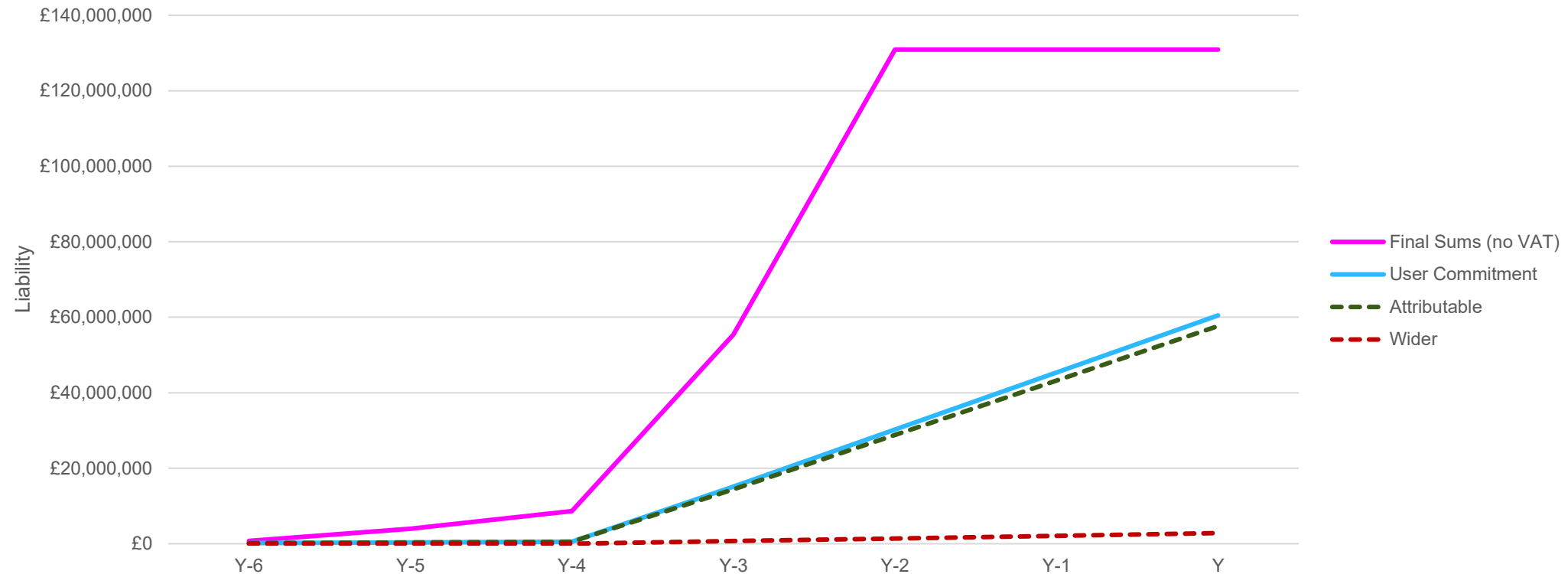
Proposer's Solution

Martin Cahill – NESO

Examples – Snapshots

Scenario	Final Sums	User Commitment - Security	User Commitment Cancellation Charge	Wider Liability	Attributable Liability	Reduction (Security)	Demand Capacity
A	£400,000,000	£34,000,000	£34,000,000	£0	£34,000,000	91.5%	26MW
B	£8,500,000	£58,000	£580,000	£60,000	£520,000	99.3%	10MW
C	£740,000	£23,300	£233,000	£220,000	£13,000	96.9%	26MW
D	£320,000	£145,000	£145,000	£0	£145,000	54.7%	150MW

- 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

Updated from Workgroup 12 with Demand Capacity in MW for each example

NESO
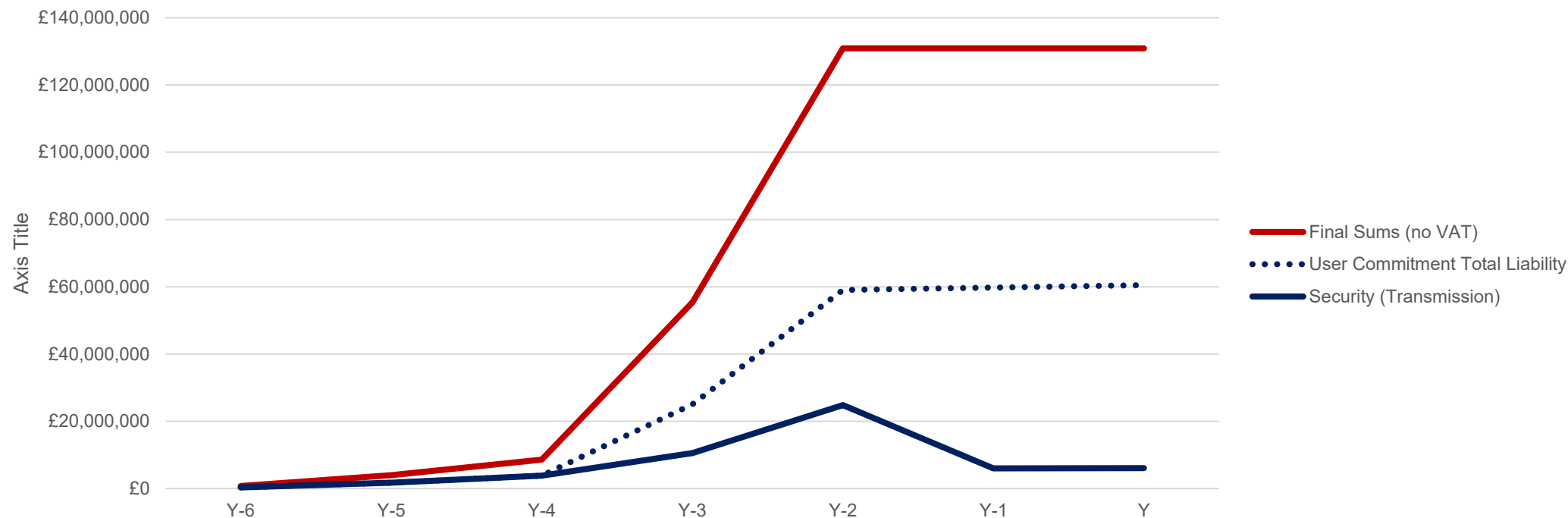National Energy System Operator

Timeline 1

- The above chart was shared in workgroup 12. These figures only show the overall liability for the project
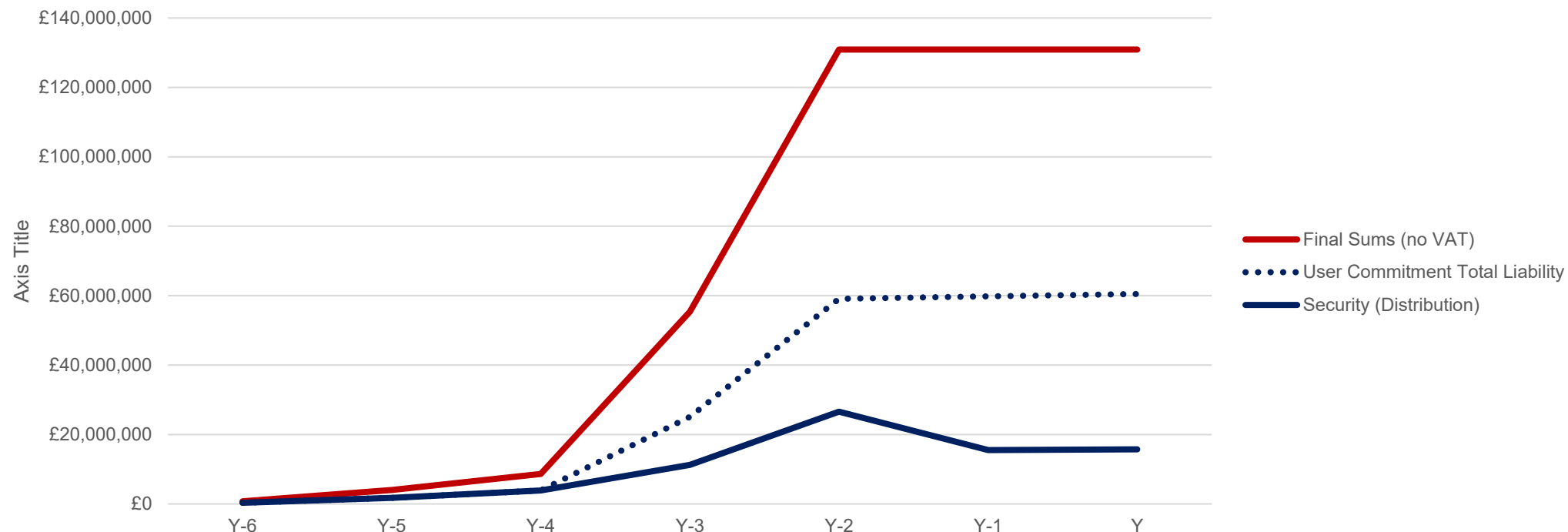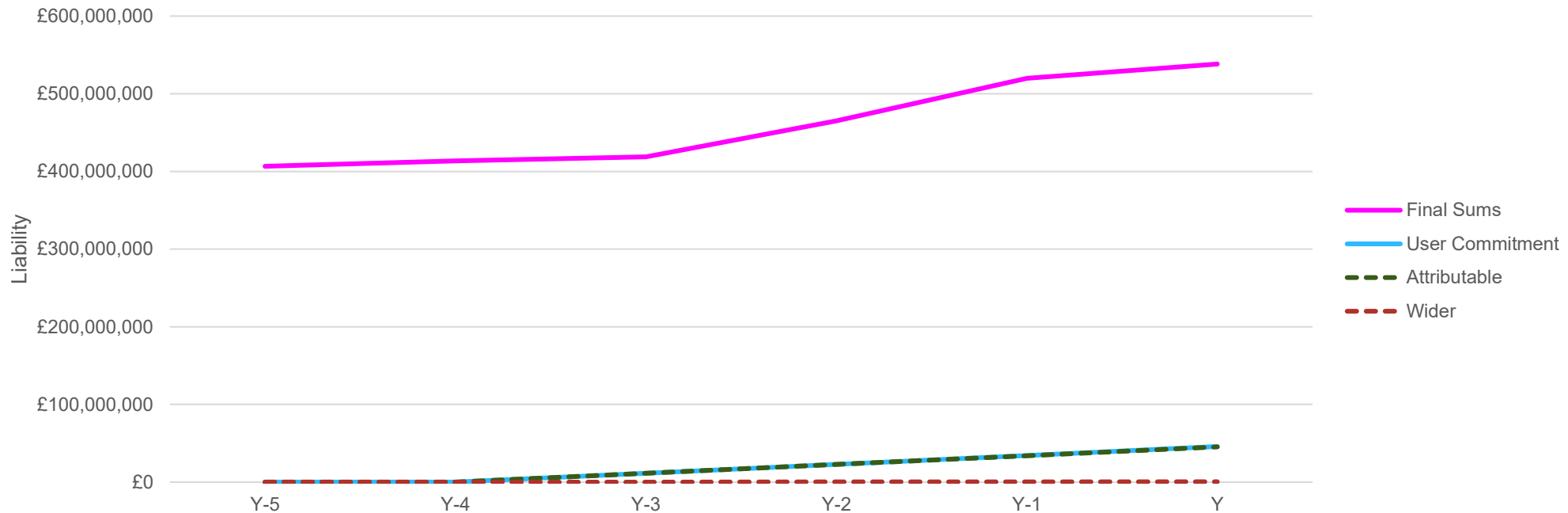
Timeline 1 – Updated

- Updated to show security vs liability, including pre and post trigger, and post consents
- This assumes a Transmission Connection, where post trigger at Y-3 the secured amount drops to 42%, and post consent (Y-1) to 10%
- S Curve data also applied to give more accurate profile (previous version assumed fixed)

Public

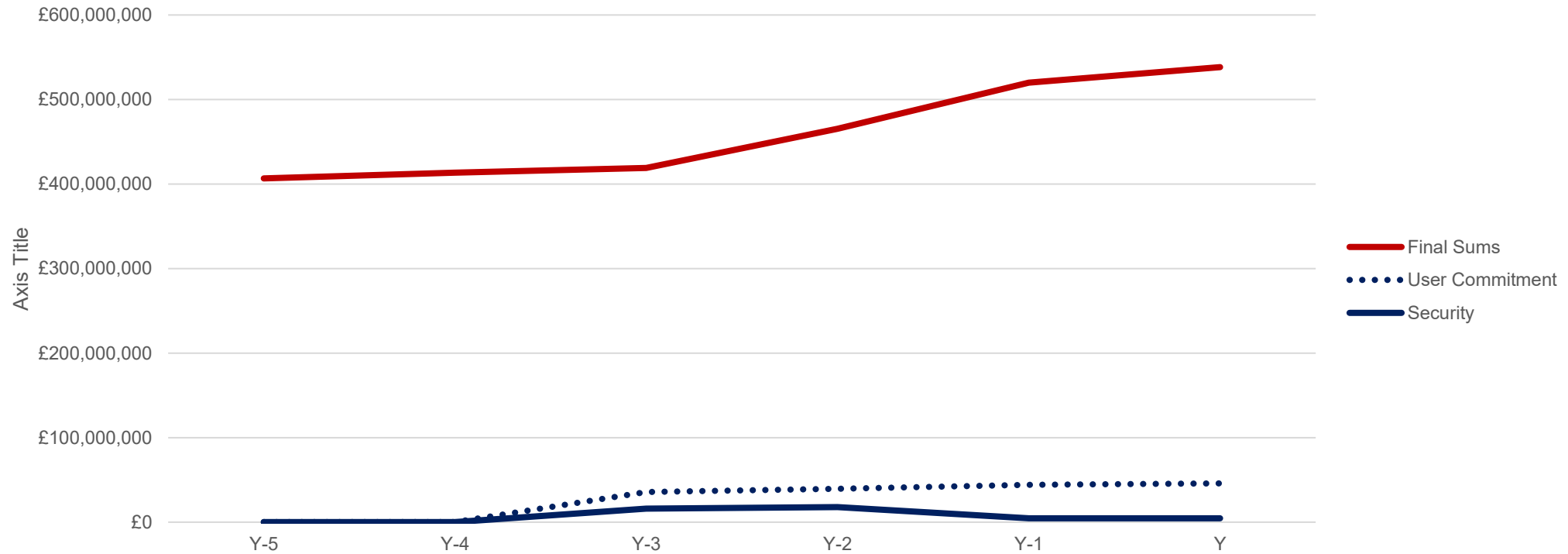# Timeline 1 – Distribution Comparison

- This second version uses the same figures, but assumes a Distribution Connection (45% post trigger and 26% post consents)

10

Examples – Timeline 2

- The above chart was shared in workgroup 12. These figures only show the overall liability for the project
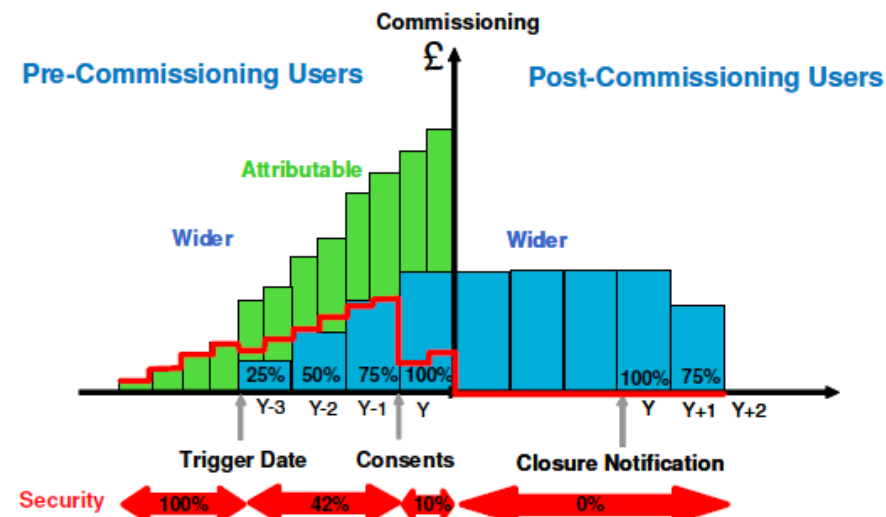
Timeline 2 – Updated

- Updated to show security vs liability, including pre and post trigger, and post consents
- This assumes a Transmission Connection, where post trigger at Y-3 the secured amount drops to 42%, and post consent (Y-1) to 10%

Security vs Liability - Summary

Amount of liability that needs to be secured varies depending on:

- If the project is pre or post trigger

- If the project is Transmission or Distribution Connected

- If the project has Consents

- If the project is pre or post-commissioning

Previous examples have used different scenarios to demonstrate this

Security Requirement		Transmission	Distribution
Pre-Trigger	Not Consented	100%	100%
	Consented	100%	100%
Post-Trigger	Not Consented	42%	45%
	Consented	10%	26%

NESO
National Energy
System Operator

Examples – Long Connection Assets in Scotland

- Important to note that some sites could see much smaller reduction in security/liability

- Take the following example:
  - Connection in Scotland with sole use assets installed
  - Circuits to be installed are longer than 2km so classed as reinforcement rather than connection assets
  - Assume circuits are more or less matched to site requirements – SIF is likely to be close to 100% as Circuit capability matches with Demand Capability of site
  - Possible to that LARF may be relatively high too – assume around 25%
  - Large Connection with a demand capacity of 900MW
  - Assume in year of connection – liability reduction is much lower, although security requirements would still drop significantly as post trigger

Final Sums	User Commitment - Security	User Commitment Cancellation Charge	Wider Liability	Attributable Liability	Reduction (Security)
£180,000,000	£14,220,000	£142,200,000	£7,200,000	£135,000,000	92%

N.B slide added following pack circulation

Implementation – Data Requirements

Requirement	Existing	Updates
6 monthly spend profiles	Spend profiles sent to NESO twice a year for each scheme	Need to ensure that these include all schemes which are attributable to demand are included (e.g. this data set only includes works are attributable for at least one generator then there will be some additional schemes to add in – those which are only attributable for demand. If these are already included then no change).
Attributable Works	Details of which schemes are attributable for each generator – i.e. so that these can be cross references against spend profiles to calculate liability for each generator. Included in Generation TOCOs	In addition to this existing requirement, we would also need details of which schemes are attributable for each demand connection. The criteria for this will be works required to connect the demand site to the nearest MITS node
Scheme Capability	Capability in MW of each scheme. This is used by NESO to calculate SIF. Included in Generation TOCOs	No changes to this but as per spend profiles we will need to ensure that a figure is provided for all schemes which are included in demand attributable works.
LARF	Local Asset Reuse Factor – share of scheme which could be re-utilised Included in Generation TOCOs	Same as for scheme capability – ensuring we have this provided for all demand attributable schemes
Non Load Related and Load Related Capex spend	All Capex spend by TO which isn't already included in a set of attributable works	This is still the same but noting that as the attributable works definition is now extended to demand, there will likely be some additional schemes that now need to be removed from these figures (i.e. any scheme which previously wasn't included in at least one set of attributable works but now is).

NESO
National Energy
System Operator

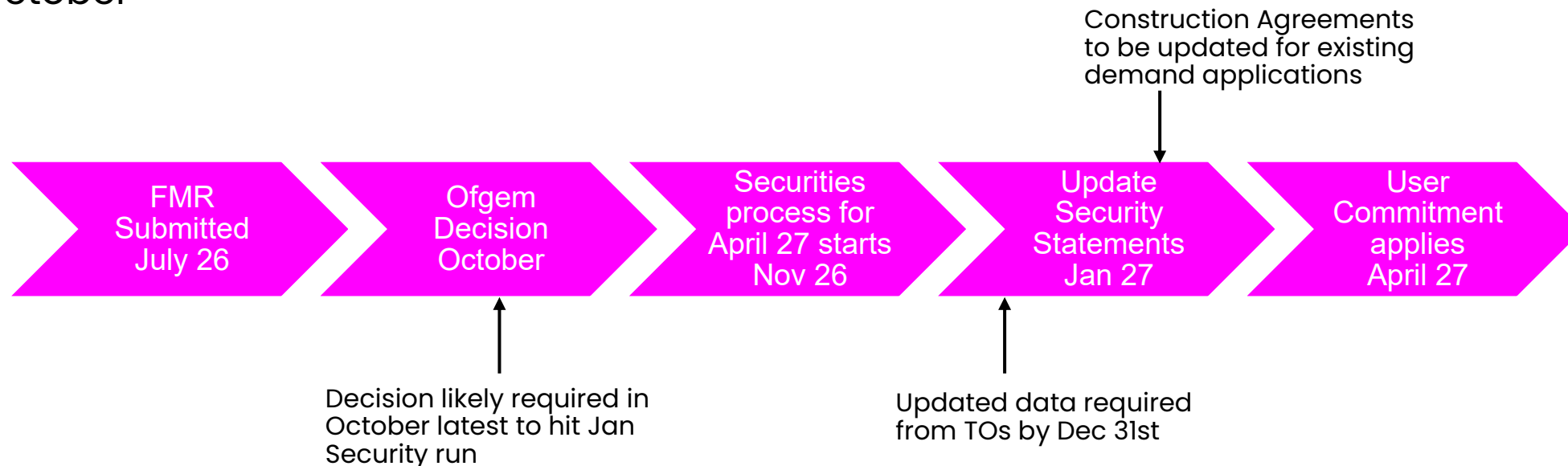N.B slide added following pack circulation

Implementation – TO Feedback

- Still investigating exact timeframes for receiving data from TOs

- Likely looking at minimum 2-3 months requirement for TOs to be able to provide full data set from decision date

- Part of data set is usually provided in TOCOs – need to understand if there is any efficiency in providing data separately on initial implementation with updated TOCOs to follow

- For January securities run TO data submission would be required by 31st December 2026

NESO
National Energy
System Operator

Implementation – Summary
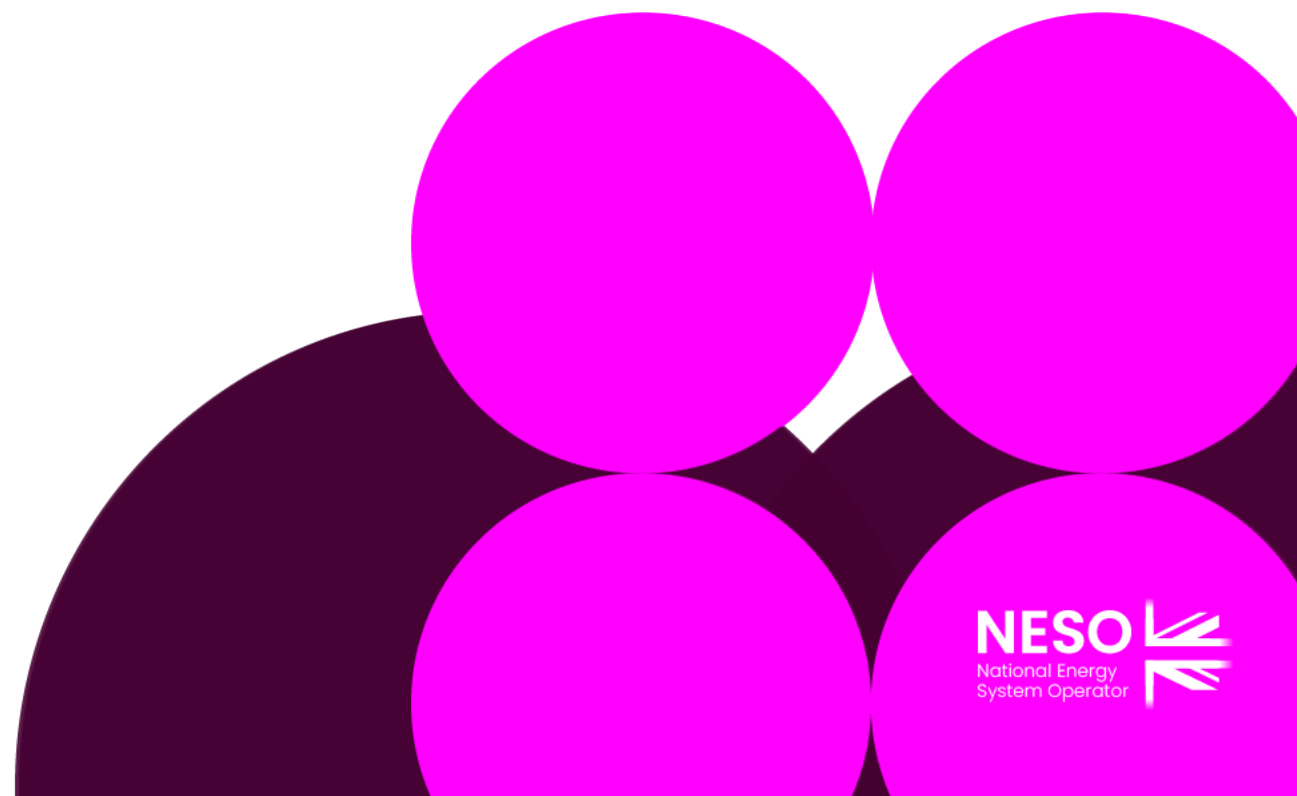
Current target is the January 2027 Securities Run

Remaining Steps:

- Confirm whether TOCOs need to be updated for initial implementation

- Identify contingency plan

- Confirm what decision date would be required for Jan 27 securities run – likely to be in October
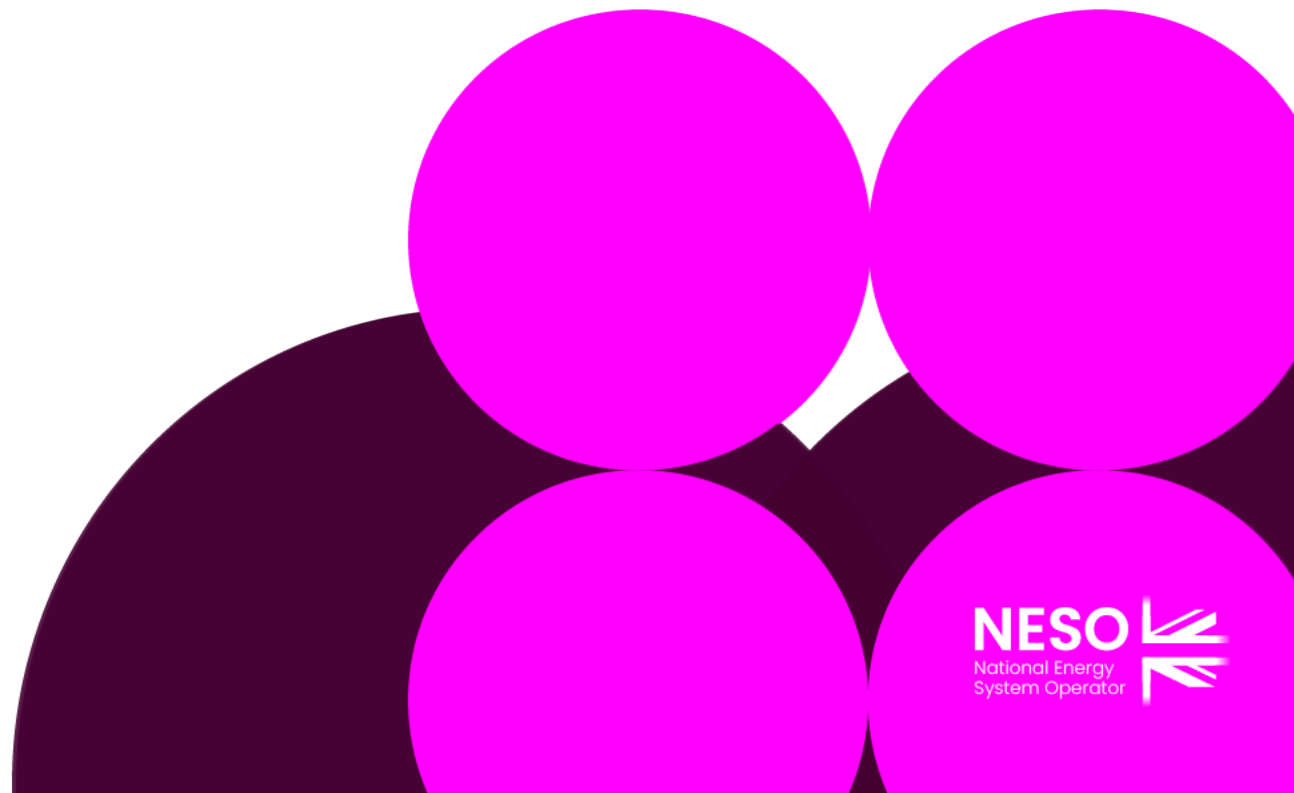
Construction Agreements to be updated for existing demand applications

FMR Submitted July 26 → Ofgem Decision October → Securities process for April 27 starts Nov 26 → Update Security Statements Jan 27 → User Commitment applies April 27

Decision likely required in October latest to hit Jan Security run

Updated data required from TOs by Dec 31st

NESO
National Energy
System Operator

Legal Text

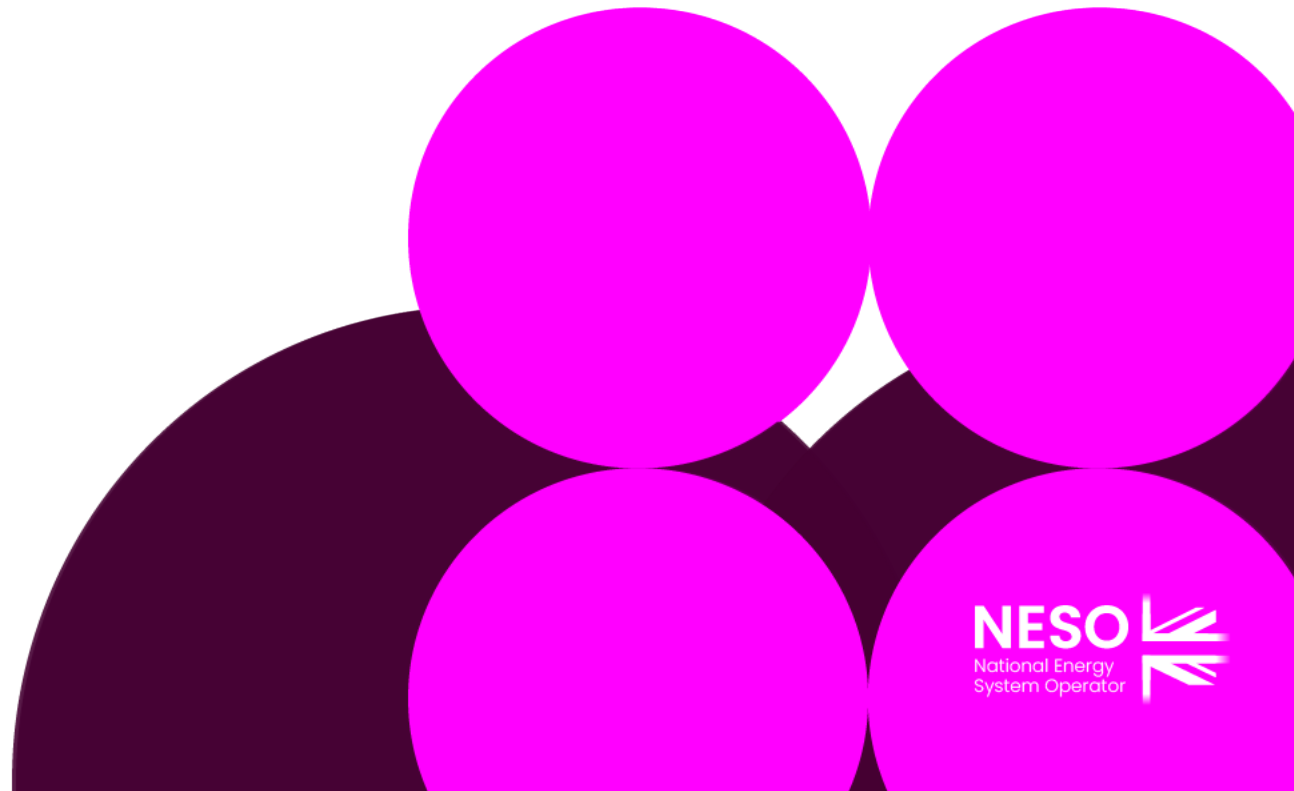Martin Cahill – NESO

NESO
National Energy
System Operator

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 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

NESO
National Energy
System Operator

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

NESO
National Energy
System Operator

AOB & Next Steps

Robert Hughes – NESO Code Administrator