Public

Code Administrator Meeting Summary

Workgroup Meeting 5: CMP414 - CMP330/CMP374 Consequential Modification

Date: 12/01/26

Contact Details
Chair: Robert Hughes, robert.hughes3@neso.energy
Proposer: Neil Dewar, neil.dewar@neso.energy

Key areas of discussion

This meeting focused on a complete review of open actions with updates.

Send Back issues - Actions Log update

The Chair led a detailed review of the action log, providing updates alongside Workgroup members on the action log, summarised as follows:

Action 3 (Closed) – Considered overtaken by events, as clarifications from Ofgem are now being addressed through subsequent action points and ongoing discussions, so it remains open as part of wider feedback but is not a standalone focus

Action 6 (Closed) - Energiekontor Cost Benefit Analysis presented to the Workgroup as follows:

Presentation of Cost Benefit Data: AP shared an anonymised spreadsheet showing estimated savings of around £22 million for Energiekontor, split between lower construction costs and earlier energization, with a 15% saving on upfront costs and time savings for some projects. The analysis focused on 132kV assets, primarily in England and Wales.

Clarification of Asset Scope: It was clarified that the analysis was based on 132kV distribution assets, noting the difference in contestability between England and Wales (where 132 kV is distribution and contestable) and Scotland (where it is Transmission and not generally contestable). It was agreed to ensure the voltage level is clearly stated in all documentation.

Supporting Documentation and Next Steps: AP agreed to draft a supporting narrative explaining the methodology, assumptions, and context of the cost benefit analysis, and to circulate both the spreadsheet and the write-up to for inclusion in the Workgroup Consultation Report. **(Action 6.7(New))**

Request for Broader Industry Evidence: SSENT and SP Energy Networks agreed to supply Cost Benefit data to broaden the evidence base, on additional costs and experiences from their respective organisations. **(Action 6.8 (New))**

Action 6.1 (Open) NESO led presentation on "Investigate whether Eirgrid's previous cost benefit analysis on contestable works can be sourced and considered as part of the evidence base" and led the Workgroup discussion which is summarised below:

GB Distribution Contestability Process: NESO outlined the division between contestable and non-contestable works in the GB distribution network, specifying that contestable works include design, procurement, site preparation, construction, and metering, while non-contestable works are handled by the Distribution Network Operator (DNO). NESO emphasised the requirement for all contestable works to comply with DNO designs and specifications.

Technical and Quality Assurance Requirements: The Workgroup discussed the technical requirements for contestable works, including compliance with Engineering Recommendation G81 and project-specific DNO requirements. NESO described the inspection and monitoring regime, including a tiered oversight system based on developer experience, and referenced the use of national and DNO specific standards.

Irish Transmission Contestability Model: NESO summarised the Eirgrid model in Ireland, highlighting the roles of Eirgrid, ESB Networks, and the developer, and described the multi-stage process for contestable connections, including specification packs, design reviews, quality assurance, and joint commissioning. The Workgroup noted the extensive documentation and oversight in the Irish system.

Further Research: NESO agreed to seek clarification from Eirgrid on intervention rights for the Transmission Operator in Ireland.

Clarification of Contestability at Different Voltage Levels: The Workgroup discussed the contestability of assets at various voltage levels, clarifying differences between England, Wales, and Scotland, and agreed to gather further statements and evidence on existing practices and regulatory distinctions.

Regulatory and Geographic Differences: Several Workgroup members explained that in England and Wales, 132kV is considered distribution and contestable, while in Scotland it is Transmission level and generally not contestable. This distinction is due to differences in licensing and primary legislation, affecting the scope of contestable works.

Existing Forms of Contestability: Several Workgroup members described existing practices in Scotland, where certain preparatory works (e.g., platform works) are performed by the User and handed over to the Transmission Operator, even if not

formally classified as contestable. The SP Energy Networks Workgroup member agreed to provide a written summary of these practices for the Workgroup.

Challenges at Higher Voltages: The Workgroup discussed the limited contestability at higher voltages (275/400 kV), citing supply chain constraints, type approval issues, and commercial inefficiencies. Noting that while contestability is theoretically possible, practical barriers limit its application at these voltage levels.

Action 6.2 (Open) – Meetings to be scheduled this week with relevant parties.

Action 6.4 (Open) – Slot at a Renewables UK meeting in early February has been arranged to ask wider UK developers for any supporting evidence. Ofgem have also been asked if any developers had contacted them directly with relevant information, but no confirmation was available during the meeting. **(Action 6.9 (New))**

Action 6.5 (Closed) - Ofgem clarified they want to see metrics such as delivery timelines, estimated cost per MW and lifecycle costs to compare with current project timelines and costs savings. Where empirical evidence is not available, provide clear assumptions.

Action 6.6 (Open) – A written explanation has been provided to the Proposer regarding England and Wales. Ongoing in relation to wider GB with Scottish Transmission Operators with conversations ongoing.

Action 7 (Open) - The Proposer led a session on the Workgroup development of a Risk Register as follows:

Development of Risk Register for Substandard and Shared Assets: The Proposer led a workshop discussion on risks associated with substandard and shared assets, with contributions from the Workgroup, resulting in the identification of key risks, mitigations, and the need for further input to formalize the risk register.

Risk of Shared Contestable Assets: The Workgroup examined the risk that contestable assets, initially built for sole use, may become shared over time, affecting charging and operational arrangements. A Workgroup member provided examples from Electricity Northwest, and NGET highlighted the economic motivation for shared substations. The Workgroup agreed this risk is real and requires mitigation.

Mitigation Strategies and Legal Text: Mitigations discussed included clear adoption agreements, codification of standards, and intervention criteria for Transmission Operators. The Workgroup noted that many controls already exist with Distribution Network Operators and Irish models, and that codifying these in the Legal Text would help manage risks of stranded or substandard assets.

Stranded Asset Risk and Contractor Accreditation: The risk of assets being stranded if not adopted by Transmission Operators was discussed, with Workgroup members noting the importance of contractor accreditation schemes and robust approval processes. The Workgroup agreed that while the risk is low if contracts are properly managed, it is not negligible and should be addressed in the codes.

Interactions with Regulatory Regimes: The Workgroup discussed the need to consider interactions with other regulatory frameworks, such as price controls and licensing, and to ensure that any changes or mitigations are aligned with broader regulatory requirements.

Next Steps for Risk Register: The Workgroup agreed to further develop the risk register. Workgroup members were asked to consider additional risks, mitigations, and likelihood/impact assessments ahead of the next meeting. The aim is to formalise the risk register for inclusion in the Workgroup Consultation Report.

Action 8 (Open) – 60% through writing up response, hoping to be able to complete and share by end of the month. Noted significant overlap with the work being done in CMP460.

Action 9 (Open) – No update

Action 10 (Open) – ND and MPS alongside Steve Baker from the NESO Technical Code change team met and reviewed a spreadsheet on potential CUSC- STC discrepancies, with no major items identified. The spreadsheet is currently with the NESO Legal team for review, and an update is expected for the next Workgroup.

Action 11 (Closed) - Ofgem stated that for incentives, it wants to see identification of gaps in price controls for Transmission Operators and Users, analysis of how proposals could affect asset/build quality and timelines if Users lack similar incentives, and evidence of risk mitigation, preferably in quantitative or qualitative terms.

Action 12 (Closed) – Representatives from SSENT and SP Energy Network have joined the Workgroup.

Action 13 (Open) – No response from SONI yet. This action has been renumbered to 6.10 so it sits under the other **Lack of clarity on benefits** actions.

Action 14 (Closed) – Information has been circulated to the Workgroup.

Next steps

Next Workgroup Monday 19 January to further develop the risk register, with the Workgroup asked to consider additional risks, mitigations, and likelihood/impact

assessments ahead of the next meeting. The aim is to formalise the register for inclusion in the Workgroup Consultation report.

Actions

Action Number	Workgroup Raised	Owner	Action	Due by	Status
3	WG1	RW	Ofgem to provide clarity on lack of analysis around incentives meaning	WG2	Closed
6			**Lack of clarity on benefits**		
6	WG3	AP	Share the confidential cost benefit analysis from Energiekontor with the Workgroup, indicating which parts are confidential and can be included as a confidential appendix to the FMR	WG4	Closed
6.1	WG3	ND	Investigate whether Eirgrid's previous cost benefit analysis on contestable works can be sourced and considered as part of the evidence base.	WG4	Open
6.2	WG3	ND, AP & MPS	Review available ENA data and independent analysis on financial and time-saving benefits.	WG4	Open
6.4	WG3	ND & DR	Explore the possibility of obtaining data on contestable connections directly from developers via industry associations such as Renewable UK, Scottish Renewables, and Solar UK, and	WG4	Open

			report on feasibility and progress		
6.5	WG3	KE	Clarify what constitutes satisfactory empirical evidence for financial and time-saving benefits, including whether data from distribution contestability is available and relevant	WG4	Open
6.6	WG3	MPS, ND	Draft a written summary on the realistic scope and metrics for construction of sole use circuits over 2 kilometres at various voltage levels, including the likelihood and potential benefits, for consideration by the Workgroup	WG4	Open
6.7	WG5	AP	Draft a supporting narrative explaining the methodology, assumptions, and context of the Energiekontor Cost Benefit Analysis, and to circulate both the spreadsheet and the write-up to for inclusion in the Workgroup Consultation report.	WG6	New
6.8	WG5	MH & NG	Supply Cost Benefit data to broaden the evidence base, on additional costs and experiences from their respective organisations	WG6	New
6.9	WG5	KE	To confirm if any developers have been in direct contact	WG6	New

			with Ofgem regarding contestable connections.		
6.10	WG4	ND	Check with SONI (System Operator for Northern Ireland) to see if they could share information or have access to the CBA (Cost Benefit Analysis), as they might use similar contestability criteria as EirGrid and could have relevant data.	WG5	Open
7			**Lack of clarity on risks of Sub-standard assets**		
7	WG3	ND/WG	Produce a risk register detailing risks and mitigations associated with substandard assets in contestable works, including consideration of legal and contractual protections, with input from the Workgroup	WG4	Open
8			**Lack of Charging considerations**		
8	WG3	JO	Provide a summary of charging considerations and potential issues for contestable assets, especially regarding shared infrastructure and capital contributions	WG4	Open
9			**Lack of analysis on Anticipatory Investment**		

9	WG3	AP, MPS & ND	AP and MPS to work with ND on scenario analysis for anticipatory investment (AI), focusing on real-life examples and the impact on future network sharing	WG4	Open
10			**Misalignment of the STC and CUSC**		
10	WG3	ND & MPS	Review and align legal text between the CUSC and STC modifications, ensuring consistency in compensation and intervention clauses	WG4	Open
11	WG3	KE	Provide clarification on the Authority's expectations regarding TO and contractor incentives and how they relate to timeliness and quality of build. This to be part of general clarification on each of the send back points	WG4	Closed
12	WG4	ND & RH	Reach out to Scottish Transmission Owners (TOs) to seek their involvement in the Workgroup and request their engagement and evidence for the process.	WG5	Closed
14	WG4	RH	Circulate MPS written summary to the Workgroup in closing Action 6.3, and for the England and Wales element of Action 6.6.	WG5	Closed

Attendees

Name	Initial	Company	Role
Robert Hughes	RH	Code Administrator, NESO	Chair
Andrew Hemus	AH	Code Administrator, NESO	Tec Sec
Neil Dewar	ND	NESO	Proposer
Andy Colley	AC	SSE Generation	Workgroup Member Alternate
Andy Pace	AP	Energy Potential Consulting Limited	Workgroup Member
Dayna Roger	DR	NESO	NESO SME
Dimitrios Terzis	DT	SSENT	Workgroup Member Alternate
Greg Stevenson	GS	Green Cat Renewables Ltd	Observer
Jonathan Oguntona	JO	Baywa-Re	Workgroup Member
Kingsley Emeana	KE	Ofgem	Authority Representative
Lina Apostoli	LA	ESB Generation & Trading	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Meghan Hughes	MH	SSENT	Workgroup Member
Neil Geddes	NG	SP Energy Networks	Workgroup Member
Tim Ellingham	TE	RWE	Workgroup Member