Public

Code Administrator Meeting Summary

Workgroup Meeting 13: CMP417 Extending principles of CUSC Section 15 to all Users

Date: 13 January 2026

Contact Details
Chair: Robert Hughes, Robert.Hughes@neso.energy
Proposer: Martin Cahill, Martin.Cahill1@neso.energy

Key areas of discussion

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

Click here to view the slidepack.

The actions were reviewed, as follows:

Action 15: Remains open as implementation target dates are to be refined.

Action 16: Closed. Proposer presented the updated worked examples within the Workgroup.

Action 17: Closed. The Workgroup members agreed the final points within the Workgroup Consultation.

Action 18: Closed. The Proposer received comments from Legal but were unable to review in time for the Workgroup. The Proposer presented the Legal Text and agreed these would be annexed to the Workgroup Consultation.

Proposer's solution

Examples
Snapshot slide (update to Action 16)
The Proposer explained that the only change made to the example slide was the insertion of an addition column showing the Demand capacity for each project. This column indicates what the User Commitment Liabilities and Securities were calculated against.

Distribution Comparison slide (update on Action 16)

A Workgroup member requested to see a difference between Transmission and distribution. The Proposer stated that the main difference is in the percentage of User Commitment that must be secured at different project stages. For distribution, after the trigger point but before consents, the secured percentage is 45% (compared to 42% for Transmission). After consents, distribution requires 26% to be secured, while Transmission requires 10%. The final year for distribution is therefore higher than for Transmission

Timeline 2 updated slide

The Proposer described that the second example shows an even larger difference between Final Sums and User Commitment because the project has a low SIF, which significantly reduces liability after applying the reduction factor.

For this example, only a Transmission connection was considered, not a Distribution comparison.

The updated chart uses S curve data for a more accurate liability profile. The security percentages applied are the same: 100% up to the trigger point, 42% post-trigger, and 10% after consents, with the security line dropping accordingly as the project nears commissioning.

Security vs Liability Summary

The Proposer explained that:

- the approach for security and liability for Demand projects will remain the same as for Generation projects, with no planned changes.
- The amount of liability that needs to be secured depends on several factors: whether the project is pre- or post-trigger, if it is Transmission or distribution connected, whether it has consents, and if it is pre or post commissioning.
- Pre-trigger, 100% of the liability must be secured; post-trigger drops to 42% for Transmission and 45% for distribution projects. Once consents are achieved, it further drops to 10% for Transmission and 26% for distribution.
- After commissioning, there is no security requirement but there may still be some wider liability if the project disconnects without proper notification.

Long Connection Assets in Scotland slide

The Proposer presented an example of a connection in Scotland with long, solely used connection assets, resulting in less reduction in liability because the assets are not widely shared.

The scenario assumes circuits longer than two kilometres (classified as reinforcement), with capability closely matching site requirements, leading to a sharing factor near 100% and a relatively high life factor.

For a large Demand capacity (900 MW), the liability reduction is small: Final Sums liability is 180 million, dropping to 142 million under User Commitment.

This limited reduction is considered fair since the assets are mainly for the single site, aligning with the modification's aim of proportionality.

Despite the small liability reduction, security requirements still drop significantly post-trigger and with consents, due to the lower percentage of liability that must be secured (e.g. 10% for Transmission post-consents).

A Workgroup member suggested that guidance on how one-off works should be securitised, to ensure consistency for contract managers and avoid inconsistent allocation of liability across projects. Stating that in their region, one-off works are always included in charges just before commissioning and are treated as a one-off payment.

Implementation Plan Slide

The Proposer outlined additional slides on implementation, focusing on data requirements and changes needed for implementation, especially regarding data received from Transmission Owners (TOs).

It was explained that six-monthly spend profiles from TOs would need to include all schemes attributable to Demand, not just those for generators based on the updated definition of Attributable Works.

The Proposer stated that details of Attributable Works, scheme capabilities and local asset reuse factors must be provided for Demand connections, similar to what is currently done for generation.

It was noted that non-load and load-related CapEx spend figures must be adjusted to exclude works now attributable to Demand, ensuring accurate calculation of wider liability for projects.

A Workgroup member queried which recently approved code modification removed load and non-load related CapEx spend. They stated that a guidance on distinguishing between non-load related, load related, strategic works and how to identify strategic works would help. The Proposer responded they would contact the relevant NESO representative and come back to the Workgroup member to confirm. **(ACTION 19)**

Implementation - TO Feedback Slide

The Proposer stated:

- exact timeframes for receiving data from all TOs are still being confirmed.
- some data, such as scheme capabilities for SIF and LAF, is usually provided in TACO. TOs need to assess if providing data separately at initial implementation could affect timelines.
- to meet the January securities run, TO data submission would be required by the end of December, implying a decision date around October.

Implementation Plan Summarised Slide

- The current target is to implement changes for the January 2027 securities run.
- To meet this, a decision date around October is needed with TO data submission required by the end of December.
- The process for the April 2027, a 6-month window would start in November 2026. NGET would need to request all required data from TOs, with data due by 31 December.
- Security statements would be updated in January 2027 and construction agreements for all existing Demand applications would be changed, with User Commitment applying from April 2027.
- Confirmation is required whether TACO updates are needed for initial implementation or if they will start with raw data.

A Workgroup member queried what if Ofgem delay the decision. The Proposer advised NESO would need to come up with contingency plan.

A Workgroup member queried whether the implementation plan only considers directly connected Transmission customers and how Distribution customers (and their schemes) would fit in, specifically regarding the handoff between NGET and DNOs. Would there be time for DNOs to process offer variations for their customers?

The Proposer responded the current plan mainly addresses direct Transmission connections and agreed it is important to include considerations for Embedded (Distribution) customers, suggesting the plan should be expanded to address the impact on DNOs and their contracts.

The Chair advised this would be an action for the Workgroup to review the impact of the DNOs and the effect on their contracts. **(ACTION 20).**

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Legal Text

The Proposer led a review of the legal text, focusing on main comments and potential changes rather than a line-by-line walkthrough.

The Workgroup discussed the definition of "Demand Capacity," agreeing to use suggested comments regarding clarifications on its application for new connections, modification applications and cases where no other data is available.

A Workgroup member suggested a need for a definition of "relevant embedded demand" in Section 11. The Proposer agreed to align the definitions accordingly.

The Proposer confirmed that implementation related comments were noted but clarified that prioritisation of users with 'securitisable' spend would be handled operationally, not in the legal text.

The Workgroup discussed whether the construction agreement figure should be a delta or total. The Proposer clarified it would already be the delta.

Workgroup Consultation

The Chair took the Workgroup through the remaining comments and closed them off.

AOB & Next Steps

The Chair advised the Workgroup Consultation will be issued to industry on 19 January. Workgroups will then reconvene on 17 February to discuss Workgroup Consultations responses.

Actions

To review the full action log (post hiatus) click here

Action Number	Workgroup Raised	Owner	Action	Due by	Status
15	WG11	MC	Develop a detailed implementation plan for reissuing Construction Agreements	WG13	Open
16	WG12	MC	Worked examples:	WG13	Closed

			• Investigate whether DNO examples can be provided • Add MW values • Include Scottish assets • Include drop in post-trigger security requirements		
17	WG12	MC	Workgroup Consultation: • Clarify 10% security requirement • Include CMP192 diagrams to illustrate changes over project lifetime • Clarify wider liability calculations • Include implementation arrangements	WG13	Closed
18	WG12	MC	Make adjustments to the legal text and review with NESO legal prior to Workgroup Consultation	WG13	Closed
19	WG13	MC	Query with NESO Representative whether a guidance note was produced for CMP447.	WG14	Open
20	WG13	Workgroup members	Workgroup to review how the impact of DNOs effect their contracts.	WG14	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
Charles Deacon	CD	Eclipse Power	Workgroup Member
Christopher Patrick	CP	Ofgem	Authority Representative
Damian Clough	DC	SSE	Workgroup Member
Dayna Rodger	DR	NESO	Subject Matter Expert
Gareth Williams	GW	SPT	Workgroup Member
Greg Stevenson	GS	Green Cat Renewables	Observer
Harriet Eckweiler	HE	SHET	Workgroup Member
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	Observer
Natalija Zaiceva	NZ	UKPN	Observer
Ollie Easterbrook	OE	NGED	Workgroup Member
Pete Aston	PA	Statkraft UK	Workgroup Member Alternate
Steve Baker	SP	NESO	Observer
Tim Ellingham	TE	RWE	Workgroup Member