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Code Administrator Meeting

Summary

Workgroup Meeting 6: Improving Transmission Connection Asset Charging

Date: 22 January 2026

Contact Details

Chair: Jess Rivalland, jessica.rivalland@neso.energy

Proposer: Joe Colebrook, Joe@innova.co.uk

Key areas of discussion

The Chair confirmed that the purpose of Workgroup 5 was to review the timeline and Actions Log, discuss the Option 1 impact assessment, and review the draft Workgroup Consultation document.

Timeline

The Chair noted that this is the final Workgroup meeting before the Workgroup Consultation document is published on 27 January 2026.

Actions Log

The following Actions were discussed:

Action 8

The Chair confirmed that the amended Terms of Reference are being discussed at the January 2026 CUSC Panel. The Action will remain open.

Action 14

The Chair confirmed that the review of potential Legal Text changes is ongoing. The Action will remain open.

Action 21

The Chair confirmed that this Action is on hold until further information on levels of engagement from DNOs is confirmed. The Action will remain open.

Action 23

The Chair confirmed that the Workgroup will discuss the Proposer's Option 1 impact assessment during this meeting. The Action was closed.

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Action 25

The Chair confirmed that the Workgroup member assigned this Action had shared example slides with the Workgroup. The Action was closed.

Action 26

The NESO SMEs provided a high-level overview of their analysis of aggregated DNO connection-cost data and explained how it had been translated into indicative TDR impacts using Revenue-supplied multipliers. The Action was closed.

Actions 28 and 29

The Chair confirmed that updates had been made to the Workgroup Consultation document and comments had been received from Workgroup members. Both Actions were closed.

Review of NESO SME data

In relation to Action 26, the NESO SME presented high-level aggregated connection-related cost data for DNOs and explained how this had been translated into indicative TDR impacts. The SME noted that the Revenue Team had restricted access to detailed breakdowns due to confidentiality. The Workgroup discussed whether the figures included existing connection assets, forecast assets, or both. Clarification was provided on how CapEx and OpEx elements were incorporated.

Workgroup members reviewed the resulting indicative tariff increases for domestic consumers, noting that the cost impacts ranged from approximately £3.90 to £10–£11 per year under the high-level modelling. The Workgroup acknowledged that Connections Reform could significantly alter the scale of these numbers.

Option 1 impact assessment

The Workgroup discussed whether directly connected demand customers were excluded in the NGET data that underpins the Proposer's impact assessment, concluding that the dataset only included DNO-triggered costs. The Workgroup also highlighted that Scottish TO data might be missing.

Workgroup members examined the NESO SME's high-level tables showing DNO-triggered CapEx costs and discussed the resulting tariff impacts, including the indicative domestic increase of around £3.90 per year, rising to £10 – £11 in later years. Several Workgroup members noted that these values appeared materially different from earlier NGET SGT counts, prompting questions about what was included or missing e.g. Scottish TO works, directly connected demand.

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The Proposer presented their modelling approach based on NGET-supplied SGT counts and a £10m per-SGT assumption, doubled in some cases to approximate associated GSP works. Workgroup members challenged these assumptions as too approximate and inconsistent with NESO’s larger aggregated cost totals. It was acknowledged that the Proposer’s model included multiple uncertainties, such as the treatment of non-DNO connection SGTs, how many would be sole-use vs shareable under Option 1, and whether full CapEx or only annualised values should affect TDRs.

The Workgroup proposed that only one consolidated impact assessment should be published, based primarily on the NESO SME’s dataset, with the Proposer using their model only as a sense-check. The Proposer confirmed they would align their analysis accordingly.

Workgroup members also agreed that scenario ranges (e.g. 50% or 25% cost reductions) should be added to reflect expected changes from Connections Reform. The NESO SMEs will confirm missing data elements, such as directly connected demand and any inconsistencies between NGESO and NGET data.

Workgroup Consultation

The Chair led the Workgroup through comments and questions made by Workgroup members in the Workgroup Consultation document:

Placement of ENA material and ‘Interactions’

The Workgroup discussed the appropriate placement of certain parts of the consultation document, including references to the ENA’s earlier work and the ‘Interactions’ section. Workgroup members agreed that the ENA content did not belong within the Proposed Solution and should instead be placed under Workgroup Considerations. The Chair confirmed that these adjustments would be made. It was also agreed that other sections, including parts of the interaction narrative, should be moved to areas where they more naturally aligned with the structure of the document.

Editorial revisions and acronyms

The Chair and Workgroup members reviewed several editorial issues, including the consistent capitalisation of defined terms such as ‘Connection Asset’. The Chair confirmed that these would be corrected by the NESO Code Governance Team during the quality check stages. The Workgroup also examined and agreed upon a series of expanded acronyms. The Workgroup agreed to these revisions to improve clarity and consistency.

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Cost reflectivity

The Workgroup considered whether the Workgroup Consultation should include a question asking respondents to comment directly on cost reflectivity. While the Proposer noted that CUSC Objective e) already requires stakeholders to consider cost reflectivity in their responses, other Workgroup members suggested that respondents should still be given the opportunity to express views on whether shifting costs from DNOs to socialised charges is reasonable or fair. The Workgroup agreed to remove the original question from its initial location and instead add a new question under the Impact Assessment section, allowing respondents to comment specifically on this issue. The Proposer confirmed they would revise the wording accordingly.

Retrospectivity and Applicability

The Workgroup discussed the change of a heading from 'Retrospectivity' to 'Applicability', with the Proposer explaining that this section relates to when certain CUSC definitions are applied, rather than any retrospective change. A Workgroup member requested that the section should clearly show that the proposal applies equally to all user types, including DNOs, generators, interconnectors, and demand customers. The Proposer agreed to incorporate this clarification into the document.

The Workgroup discussed implementation timings based on scenarios where the modification could apply to current or future projects and the three categories of retrospective application of CMP460 listed in the Workgroup Consultation. The Workgroup considered whether implementation should be on 01 April 2027 or aligned to Ofgem's decision date, with a Workgroup member suggesting the decision date itself might act as the cut-off. The Authority Representative advised that while Ofgem aim to make a decision by the end of September 2026, the Workgroup may wish to include contingency wording to account for possible delays.

A Workgroup member raised a concern that certain projects due to connect in 2026 - 2027 might deliberately delay their connection dates to benefit from CMP460 should it be approved. The Proposer asked the Workgroup member to include this as a comment within the Workgroup Consultation.

Tertiary connections and Grid Parks

The Workgroup reviewed the section describing how tertiary connections and Grid Parks are treated under the existing framework. Workgroup members agreed that the current text accurately reflected that these assets are already classified as infrastructure and would remain so under this proposal. The Proposer agreed to further review the wording to ensure accuracy.

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Next Steps

The Chair asked Workgroup members to submit any further comments on the Workgroup Consultation document by the end of the following day. The Workgroup Consultation will be published on 27 January 2026, with responses due by 18 February 2026. The next Workgroup meeting on 04 March 2026 will review the Workgroup Consultation responses and consider the draft Legal Text.

Actions

For the full action log, click [here](#).

Action Number Raised	Workgroup	Owner	Action	Due by	Status
8	WG1	JR	Amend Terms of Reference b) and f) and take back to CUSC Panel.	WG6	Open
14	WG2	JC / AH	Review potential changes to Legal Text with legal team (possibly Section 3 or 11).	WG6	Open
21	WG4	NZ	Review DNO offers and provide high level consumer impact analysis.	WG6	Open
22	WG4	LS	Check the status of transmission charging reform work.	WG5	Closed
23	WG4	JC	Provide data for an impact assessment of Option 1 and seek feedback on assumptions.	WG6	Closed
25	WG5	KH	Share example slides showing baseline vs Option 1 diagrams side-by-side.	WG6	Closed
26	WG5	PM / AH	Work with Revenue and provide analysis of the expected increase in TDR if Option 1 moves connection costs into TNUoS.	WG6	Closed
27	WG5	JC / AH	Produce first draft of Legal Text, to be reviewed by NESO Commercial Codes and Legal.	WG6	Open
28	WG5	JR	Add several new headings to the Workgroup Consultation and share with Workgroup members.	WG6	Closed

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29	WG5	All	Provide comments and content in Workgroup Consultation.	WG6	Closed
30	WG6	AH	Confirm queries regarding directly connected demand data and SGT discrepancies.	WG7	Open
31	WG6	MH	Provide Scottish TO data.	WG7	Open
32	WG6	JC	Incorporate the NESO data into an updated impact assessment.	WG7	Open
33	WG6	JC	Update Workgroup Consultation text on 'Applicability' and application to all User types.	WG7	Open
34	WG6	MPS	Add baseline explanation regarding proportional capital contributions.	WG7	Open
35	WG6	RS	Add text to the 'Applicability' section on potential delay incentives for 2026 – 2027 projects.	WG7	Open

Attendees

Name	Initial	Company	Role
Jess Rivalland	JR	NESO	Chair
Matthew Larreta	ML	NESO	Technical Secretary
Joe Colebrook	JC	Innova Capital Ltd	Proposer
Aishwarya Harsure	AH	NESO	NESO Representative
Alex Pentecost	AP	Eclipse Power Solutions	Workgroup Member Alternate
Brian Hoy	BH	SP Electricity North West	Workgroup Member
Charles Deacon	CD	Eclipse Power Solutions	Workgroup Member
Chris Patrick	CP	Ofgem	Authority Representative
Damian Clough	DC	SSE Generation	Workgroup Member
Drew Johnstone	DJ	Northern Power Grid	Workgroup Member
Grahame Neale	GN	LightsourceBP	Workgroup Member

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Hector Perez	HP	ScottishPower Renewables	Workgroup Member
Helen Stack	HS	Centrica	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member
Jonathan Oguntona	JO	BayWa r.e. UK Limited	Observer
Leon Stafford	LS	UKPN	Workgroup Member Alternate
Lina Apostoli	LA	ESB	Workgroup Member
Mark O'Connor	MO	EDF Power Solutions	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Meghan Hughes	MH	SSEN Transmission	Workgroup Member
Natalija Zaiceva	NZ	UKPN	Workgroup Member
Paul Mott	PM	NESO	NESO Representative
Philip Bale	PB	Roadnight Taylor	Workgroup Member Alternate
Rob Smith	RS	Enso Green Holdings Limited (EGHL)	Workgroup Member
Will Bowen	WB	UKPN	Workgroup Member Alternate