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# Code Administrator Meeting

## Summary

### Workgroup Meeting 14: CMP417 Extending principles of CUSC Section 15 to all Users

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**Date: 17 February 2026**

**Contact Details**

Chair: Robert Hughes, [Robert.Hughes@neso.energy](mailto:Robert.Hughes@neso.energy)

Proposer: Martin Cahill, [Martin.Cahill@neso.energy](mailto:Martin.Cahill@neso.energy)

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### Key areas of discussion

The Chair outlined the agenda of the meeting, which included an update of the Actions, Workgroup Consultation responses and draft legal text.

Click [here](#) to view the slidepack.

The Chair and Proposer acknowledged the recent communication the Authority sent requesting a 'call for input' to the Demand Connection Reform. They noted that the current modification timeline may need adjustment to align with Ofgem's proposed phasing but no timeline changes have been made yet. The Workgroup will continue as planned until further notice.

### Actions

The actions were reviewed, as follows:

Action 15: The Proposer will provide an overview of the position so far later in the Workgroup; however, this action will remain open while implementation target dates are further refined.

Action 19: The Proposer advised guidance on how schemes will be classed as designated strategic works has not been created as part of CMP447. The decision will be taken based on a number of factors, with information about which schemes are strategically made available.

Action 20: The action is to remain open but the wording has been tweaked to say "Workgroup to review the impact on DNOs in terms of how it affects their contracts with users". No comments from the Workgroup.

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## Workgroup Consultation Responses

The Chair took the Workgroup through a summary of responses highlighting there were 11 non-confidential responses with 6 out of 11 supporting the implementation approach and 8 out of 11 were happy that the draft legal text satisfied the intent of the modification.

The Chair took the Workgroup through the themes of responses. Main point of discussions arising from that were:

### Implementation Comments

- A Workgroup member required clarity on what type of notice period respondents wanted for implementation following Authority approval and before the solution goes live. The Chair responded that respondents were seeking sufficient notice between the decision and the actual implementation to allow time for necessary preparations to meet the January securities run.
- A Workgroup member shared their concern that if the Final Modification Report (FMR) is issued to the Authority in July it might be tight for a decision to be received back. The Chair advised that the date for the FMR submission had already been brought forward. Further acceleration may be considered at the next Workgroup dependent on discussions between NESO and the Authority.
- A Workgroup member agreed that enough time was needed for the Authority to return the decision and to ensure Transmission Owners (TOs) can deliver required data before the NESO process deadlines. A narrow window between the Authority's decision and the required process changes could present challenges. The Proposer acknowledged the concern and requested feedback for the minimum time periods needed for process updates which can then be considered in the timeline.
- A Workgroup member advised wording within the FMR should be inserted to highlight that a decision would need to be made in a timely fashion.

### Other points

- A Workgroup member queried how cancellation charges would be calculated when the dominant use of a site changes. They advised that reducing the non-dominant use might not incur a charge but this issue may be outside the scope of the current modification. The Proposer agreed there is a potential risk, but the risk may need to be addressed in a future modification.
- A Workgroup member advised that reducing the security burden could conflict with the Authority's goal to strengthen the queue entry and membership criteria, potentially allowing less viable projects to progress.

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- A Workgroup member advised that high securities are not a major deterrent for data centres, so reducing them may not increase their applications, but it could affect other demand customers. They also noted the need for consistent methodology across DNOs and agreed that DNOs should not pay securities for forecast demand growth. The Proposer clarified that the modification aims for fairer treatment by aligning securities with actual transmission works triggered, and that financial mechanisms to incentivise viable projects may be considered separately. The Proposer also explained that DNOs would not face cancellation charges for reduced forecast demand, only if a specific application is cancelled.
- A Workgroup member raised concerns that using the dominant use (generation or demand) to calculate SIF could lead to under or over securing works, especially if reinforcement is only needed for one type, and suggested this could misallocate costs among customers. The Proposer explained that for hybrid sites, works are only secured once, based on the higher of generation or demand capacity, but acknowledged there's no mechanism to avoid over or under-securing across multiple sites. The Proposer agreed to review this scenario for potential miscalculations in SIF and discuss further offline (**Action 21**).

## Proposer's Update (Action 15)

### Proposer's timeline and G2TWQ Interaction

The Proposer presented the slide highlighting the current timeline but caveated that this may be subject to any changes including the Workgroup timeline.

The Workgroup were satisfied with the timeline.

### Hybrid Site Feedback

The Proposer presented a scenario with a hybrid site having both generation and demand capacities, and multiple sets of attributable works where some were required for both.

The proposed method calculates security using the highest capacity (generation or demand) for the site, affecting SIF and cancellation tariffs.

The Proposer shared their concern: if only the generation part is cancelled, works needed solely for generation may not be properly accounted for, since the calculation still uses the demand capacity. The Proposer queried how likely this scenario would be and whether an extra step is needed for cost recovery and if it matters only when works are unique to the site.

The feedback given from Workgroup members:

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- A Workgroup member asked whether a TO (Transmission Owner) could give their view on whether works might be required for demand but not generation, or vice versa, to assess how likely such scenarios.
- A Workgroup member explained if works are needed for generation or demand alone is highly location specific. For example, if a generation component in a high fault level area is removed, some upgrades may no longer be needed if demand doesn't cause the same issue. Similarly, if demand drops in a demand-dominant area, the need for thermal upgrades may decrease but generation alone may not change that. The Proposer advised this issue has been flagged for discussion on the STC Modification CM093 and will be discussed with the TOs in more detail there.
- A Workgroup member advised their work colleagues believe it's unlikely, but not impossible, for works to be required only for generation or demand at a hybrid site. If such works are cancelled at the point of modifying the agreement, they would be treated as supported works. Under the existing process, the TO would invoice NESO for any aborted work, and NESO would then charge the developer as appropriate. The Proposer agreed, confirming that such works would be classed as aborted work, allowing the TO to recover costs but the issue is whether the cost is collected from the User responsible for cancelling.
- A Workgroup member explained that final sums are not claimed on assets that are not scrapped; if assets can be reused this is reflected in the LAF and the STC ensures there is no double recovery. If a User's requirement is reduced or removed and a cheaper scheme is needed would the TO claim recovery for wasted investments, typically early in construction. The Proposer confirmed it was useful to understand.
- A Workgroup member questioned whether, for hybrid sites where generation and demand are commissioned in separate stages, would there be two separate security statements and if cancellation charges would apply to each when reduced. The Proposer responded that typically a new security statement is issued if demand capacity or generation increases between stages but noted this is out of scope of CMP417 but would be something to consider.

## Legal Text Update

The Proposer gave the Workgroup an update on the legal text as follows:

- The definitions for Demand Capacity and Embedded Demand Capacity would be split out to clarify which applies to directly connected vs embedded Users;

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- "Distributed Demand" would be used as a term for Embedded Demand subject to securities. This would be linked to modification applications rather than a threshold which has been considered;
- It was recommended keeping two separate construction agreement templates: one for connect and manage arrangements, and another for other cases, including demand and interconnectors, to avoid confusion and ensure correct provisions apply.

No feedback was given to the Proposer on the updated changes.

## AOB & Next Steps

The Chair advised the next Workgroup will be on 10 March where the Workgroup Report would be presented. In the meantime, a Workgroup Report will be produced and uploaded to the Collaboration Space for their comment.

## 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
19	WG13	MC	Query with NESO Representative whether a guidance note was produced for CMP447.	WG14	Closed.
20	WG13	Workgroup members	Workgroup to review how modification impacts DNO's contracts.	WG14	Open
21	WG14	MC	Confirm process for Hybrid Site	WG15	Open

## Attendees

Name	Initial	Company	Role
Robert Hughes	RH	NESO	Chair
Tametha Meek	TM	NESO	Technical Secretary

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Martin Cahill	MC	NESO	Proposer
Sean Nugent	SN	NESO	Proposer Alternate
Charles Deacon	CD	Eclipse Power	Workgroup Member
Dayna Rodger	DR	NESO	Subject Matter Expert
Folashade Popoola	FP	NESO	Observer
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
Steve Halsey	SH	UK Power Networks	Workgroup Member
Syed Nadir	SN	UK Power Networks	Observer
Tim Ellingham	TE	RWE	Workgroup Member