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Code Administrator Meeting

Summary

Workgroup Meeting 10: CMP445: Pro-rating first year TNUoS for Generators

Date: 09 March 2026

Contact Details

Chair: Prisca Evans, Prisca.evans@neso.energy

Proposer: Angus Armstrong, angus.armstrong@oceanwinds.com

Key areas of discussion

The key areas of discussion included a timeline update, a presentation for the Alternative Request 3 and legal text review for Alternative Request 3. The Chair walked the Workgroup through a recap of current situation with CMP445 and set the expectations for this meeting.

Timeline Update

The Chair shared the updated timeline with the Workgroup, with the Workgroup Report now being submitted to the April CUSC Panel (instead of March) and 1 more Workgroup meeting scheduled. The Workgroup approved the proposed timeline.

Alternative Request 3 Presentation and vote

The Alternative Request 3 Proposer presented to the Workgroup and explained the proposed solution. The Proposer explained that connection reform and delays in transmission build is leading to a number of sites due to connect imminently being pushed back.

The Alternative Request 3 Proposer advised that would be prudent therefore to have an Alternative in place that will allow Ofgem to apply CMP445 solutions (both Original and WACM1) ahead of April 2027. Advising the this is partial retrospectivity and stating that a consistent argument against retrospectivity is that Users will already have made commercial decisions, however, is not the case here due to uncertainty over connections dates.

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The NESO Representative stated that his understanding is the Proposer’s option would reduce pressure on Ofgem to make an immediate decision, while not disadvantaging parties who may benefit from the modification.

The NESO Representative added that proposal appears to provide decision-making flexibility without penalising those who rely on the outcome. The Alternative Request 3 Proposer agreed.

The original Proposer sought further detail on the justification for using 2026 rather than 2024/25 as applied in WACM2. Expressing concerns that Alternative 3 appears to be *“just another WACM with a slightly different date”*. The original Proposer noted that WACM2 is grounded in the date the defect was raised, whereas the uncertainty over connection dates has existed well before 2026, making the later date harder to justify.

The Alternative Request 3 Proposer advised the main rationale for the 2026 date is Ofgem’s historical reluctance to approve retrospective changes, especially those covering periods where commercial decisions have already been made under a known methodology. Stating that 2024/25 would be more challenging for Ofgem to approve retrospectively.

The Alternative Request 3 Proposer explained that although Alternative Request 3 may capture fewer parties, it may have a greater likelihood of being approved because it ties retrospectivity to a period still within the current charging/financial year, where uncertainty remains high.

The original Proposer stated that the main concern is the importance of tying the date to the defect-raised point, which provides a clear and credible rationale.

Reiterating that using 2026 appears arbitrary, and that making a Proposal more acceptable to Ofgem is not, in itself, sufficient justification and noting that Ofgem can decide for themselves which retrospectivity position is appropriate.

A Workgroup Member built on the points made by the Original Proposer, fully agreeing with the comments and added that introducing Alternative Request 3 would not only add confusion, but would also extend the timescales, especially given that WACM1 and WACM2 are already in a well-progressed state.

The Alternative Request 3 Proposer stated that the timeline is being pushed back regardless of whether Alternative Request 3 is included. Explaining that the Workgroup would be seeking panel approval to extend the timeline in any case, and that Alternative 3 itself is not the cause of delays.

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The Chair clarified that while one additional meeting would have occurred anyway, the extent of the timeline changes now in place were substantially driven by the introduction of Alternative Request 3.

An Observer queried how significant the impact of Alternative Request 3 would be, noting that they did not believe it introduced substantial additional work.

The observer agreed with the Alternative Request 3 Proposer that retrospectivity to April 2026 may have a higher likelihood of Ofgem approval compared to retrospectivity back to 2024. Suggesting that the Workgroup could potentially put both options forward, allowing Ofgem to choose which retrospectivity date they consider acceptable.

The WACM2 Proposer was in disagreement with the logic that a later retrospectivity date would necessarily be more acceptable to Ofgem.

Stating that the strength of WACM2 is its link to when the defect was first raised, which was viewed as a legitimate and principled position by the Workgroup.

The WACM2 Proposer acknowledged that while Alternative Request 3 relates to connections reform, the concerns underpinning WACM2 are tied to the issues that gave rise to the need for connections reform in the first place.

The Alternative Request 3 Proposer advised that the plan was to raise two WACMs:

- one mirroring the Original but with an April 2026 date,
- and one aligned with WACM1 with an updated date.

The Alternative Request 3 Proposer explained that the legal text would be an amalgamation of the existing drafting for the Original, WACM1, and WACM2.

The Alternative Request Proper stated that in a meeting held on Friday with the NESO SME, it was suggested that reconciliation might be easier in 27/28, but the NESO SME had indicated that ad-hoc reconciliation might still be achievable in 26/27.

The NESO Rep confirmed that the NESO SME had no significant concerns with the approach.

The Workgroup discussed the distinction between ad-hoc reconciliation and mid-year tariff changes, with the Alternative Request 3 Proposer explaining that a mid-year tariff change would require re-opening tariffs for the whole industry, whereas an ad-hoc

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reconciliation would only adjust payments for the affected subset of Generators, with impacts flowing through to 27/28 tariffs rather than altering everyone’s charges. The NESO Representative noted that negative tariffs are reconciled annually in any case, and an Observer sought clarity on whether the proposed reconciliation effectively amounts to a mid-year adjustment for those impacted, expressing concern that it still introduces uncertainty for those Generators, including potential credit repayments in certain zones.

The Alternative Request 3 Proposer acknowledged this but emphasised that similar uncertainty already exists under the CMP445 baseline, and that Alternative Request 3 simply applies the same principle to 26/27. The WACM2 Proposer confirmed that the standard output-based (top-three months) reconciliation process would continue unchanged and is not materially altered by Alternate Request 3.

Alternative Request 3 vote

The Workgroup by majority rejected Alternative Request 3. The original Proposer stated that he did not consider the rationale for the April 2026 retrospectivity date to be sufficiently justified. Adding that if retrospectivity is to be applied, it should be aligned with WACM2, which has undergone substantially more Workgroup scrutiny, includes supporting evidence, and in the original Proposer view better facilitates the Applicable CUSC Objectives. The original Proposer expressed concerns that Alternative Request 3 risks delaying the process, noting that the Workgroup has not yet seen legal text or the necessary consultation material. Highlighting a potential risk of disproportionate impacts on developers at a critical point in the connections process, with the possibility that parties connecting only days apart could be treated differently. Concluding that the proposed line-in-the-sand for the 2026 date appears arbitrary and driven more by a perception of what Ofgem might accept than by a clear or principled justification, whereas WACM2’s link to the charging year in which the defect was raised provides a more coherent basis in his view. The majority of the Workgroup agreed with the original Proposer’s view.

Workgroup Report and Legal text Review

In light of the Workgroup rejecting Alternative Request 3, the Chair explained that if the Workgroup was comfortable it would be possible to revert back to the approved timeline and agree the Workgroup Report and Final Legal text in this meeting, with the Workgroup confirming the Workgroup votes – clarifying that the Workgroup Report would go to the

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March CUSC Panel as previously approved (instead of April as discussed in the beginning of the meeting). The Workgroup agreed to revert to the approved and conclude the work on the modification today, with the aim to submit the Workgroup Report to the March CUSC Panel.

The Chair walked the Workgroup through the Workgroup Report and asked for any suggestions or amendments – The WACM2 Proposer, will review the “Retrospectivity” section in the Workgroup Report, and confirm that all is recorded correctly.

The Chair proceeded to share the final legal text for all three solutions with the Workgroup – The WACM 2 Proposer will review the last paragraph in the WACM2 legal text and confirm the changes are ok.

Workgroup Vote

The Chair asked the Workgroup if they were comfortable, based on the previous conversation, to reconfirm their votes and also explained that any Workgroup members that qualified to vote and didn’t previously, would be able to vote now.

The Workgroup unanimously agreed that all options (original, WACM 1, and WACM 2) better facilitate the CUSC objectives, with five Workgroup members preferring WACM 2, one Workgroup member preferring WACM 1, and one Workgroup member preferring the original as the best option.

Next Steps

- The Chair will circulate the updated Workgroup Report, Final legal text for all solutions and voting template by COP Monday 09 March 2026.
- The Workgroup will review and confirm all changes are correct and recorded as agreed by COP Wednesday 11 March 2026 – WACM2 Proposer to confirm WACM2 legal text amendments and Retrospectivity Section in the Workgroup Report.
- The Chair will circulate Final versions of the Workgroup Report and Legal Text for all solution by COP Friday 13 March 2026 (ahead of Panel Papers).

Actions

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

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Attendees

Name	Initial	Company	Role
Prisca Evans	PE	NESO, Code Administrator	Chair
Catia Gomes	CG	NESO, Code Administrator	Tech Sec
Angus Armstrong	AA	Ocean Winds	Proposer
Archie Campbell	AC	Zenobe Energy	Workgroup Member
Damian Clough	DC	SSE	Workgroup Member Alternate
Graham Pannell	GP	BayWa.re	Workgroup Member
Hector Perez	HP	ScottishPower Renewables	Workgroup Member Alternate
Stephen Dale	SD	NESO	NESO Representative
Sean Nugent	SN	NESO	Workgroup Member
Graz Macdonald	GM	Waters Wye (Brockwell Energy)	Workgroup Member Alternate
Richard Buckland	RB	Brockwell Energy	Workgroup Member
Louis Sandiford	LS	Ofgem	Authority Representative
Chiamaka Nwajagu	CN	Orsted	Observer
Shannon Murray	SM	ScottishPower Renewables	Observer