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Code Administrator Meeting

Summary

Workgroup Meeting 16: CMP417 Extending principles of CUSC Section 15 to all Users

Date: 31 March 2026

Contact Details

Chair: Robert Hughes, Robert.Hughes@neso.energy

Proposer: Martin Cahill, Martin.Cahill@neso.energy

Key areas of discussion

The Chair outlined the agenda of the meeting which included closing of remaining Actions, final review of the Workgroup Report and Legal Text and the Workgroup vote.

Click [here](#) to view the slide pack.

Actions

Actions 15, 20, 21, 22, 23 and 24 were closed.

A Workgroup member required clarity whether the group had discussed projects with transitional offers and if those make any difference to the implementation. The Proposer confirmed there had been discussions around projects with transitional offers and the impacts of when gate two offers occur. The Proposer will ensure this is stated clearly enough in the Workgroup Report so the principle and timing implications are properly reflected.

Proposer's Update

Abortive Works

The Proposer advised abortive works charges would apply only where a cancellation or reduction results in works that are no longer required and for which costs have already been incurred. In such cases, costs would be recovered through a reduction fee under the Construction Agreement, implemented via an agreement to vary removing the cancelled attributable works and associated securities. For hybrid sites, a charge would apply only where cancellation of the lower technology element results in abortive works. Users would not have certainty in advance as to whether abortive works charges would arise, as this depends on the timing of the cancellation and confirmation from the TO. Where abortive works occur, the TO would notify NESO, costs would be invoiced to the User and a

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Modification Application would reflect the reduced capacity and removal of attributable works.

Cashflow implications

The Workgroup discussed cashflow implications, noting that securities generally do not present a cashflow risk for NESO except in limited circumstances where a User cancels a project, defaults and is unable to pay the full cancellation charge. This could result in a short-term revenue shortfall until costs are socialised via TNUoS. The Proposer clarified that the assessment related to NESO cashflow rather than customer financing impacts. A Workgroup member highlighted the importance of clearly distinguishing between NESO cashflow risk and the costs incurred by Users in providing securities. The Workgroup agreed that this distinction should be reflected clearly in the Workgroup Report wording.

Consumer Impact

The Proposer outlined that CMP417 could introduce a limited consumer impact by increasing the likelihood of a mismatch between TO invoices and revenues recovered through User securities following project cancellations. Where such a mismatch occurs, any shortfall would ultimately be socialised through TNUoS charges.

The Proposer further explained that the CMP417 security principles are designed to more accurately reflect the share of transmission reinforcement works triggered by a User, rather than arbitrarily reducing securities. Evidence from existing generation arrangements using similar principles was mentioned, noting that these have resulted in minimal consumer impact, with amounts socialised via securities representing less than 0.05% of total TNUoS revenue and project terminations remaining relatively rare.

The Workgroup discussed that while CMP417 reduces cancellation liabilities, this is not expected to materially increase consumer risk given the low frequency of terminations and the continued possibility of some projects remaining over-secured.

A Workgroup member queried whether the potential reuse of assets from cancelled projects is reflected in the analysis. The Proposer responded it would depend on accounting treatment and timing and acknowledged this as an area for further consideration.

Overall, the Workgroup noted that any consumer impact arising from CMP417 is expected to be low in magnitude and consistent with existing arrangements.

Workgroup Report

The Chair took the Workgroup through the Workgroup Report page by page to close of any final comments. No discussions arose from that.

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Legal Text Update

The Proposer advised that the legal text had been transposed to the latest baseline as implementations had taken place since drafting the legal text. They advised that no clashes arose from that.

Workgroup Vote

The Chair conducted the Workgroup vote. There were 9 Workgroup members in attendance that were eligible to participate in the Workgroup vote.

All eligible Workgroup members voted yes overall that the Original better facilitates against the CUSC non-charging objectives compared to the baseline (the current CUSC).

AOB & Next Steps

The Chair advised the Workgroup Report will be issued to the CUSC Panel scheduled for 24 April, with the Code Administrator Consultation to take place between 28 April 2026 to 19 May 2026.

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	Ongoing	Closed
20	WG13	Workgroup members	Workgroup to review how modification impacts DNO's contracts.	WG15	Closed
21	WG14	MC	Confirm process for Hybrid Site	WG15	Closed
22	WG15	MC	Confirm with Connections practical arrangements for abortive works charges in hybrid site scenarios. Such as how and when Users are informed that such charges	WG16	Closed

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			may arise following a change in scope and how advance visibility of potential charges is provided.		
23	WG15	MC	Discuss with Proposer for CM093 and Consider whether similar transitional arrangements may be required in the STC as part of legal text development.	WG16	Closed
24	WG15	MC	Action to look at wording in Section 6 (clause 6.30.4.4) to distinguish between <i>signed</i> and <i>commissioned</i> sites to ensure the intent is accurately reflected	WG16	Closed

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
Dayna Rodger	DR	NESO	Subject Matter Expert
Gareth Williams	GW	SPT	Workgroup Member
Harriet Eckweiler	HE	SHET	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member Alternate

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Jonathan Clark	JC	SHET	Workgroup Member Alternate
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Mustafa Cevik	MC	UK Power Networks	Observer
Pete Aston	PA	Statkraft UK	Workgroup Member Alternate
Steve Baker	SB	NESO	Observer
Steve Halsey	SH	UK Power Networks	Workgroup Member
Syed Nadir	SN	UK Power Networks	Observer
Tim Ellingham	TE	RWE	Workgroup Member