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Code Administrator Meeting

Summary

Workgroup Meeting 7: CMP460 – Improving Transmission Connection Asset Charging

Date: 05 March 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 7 was to review the objectives, timeline, and Action Log, and to discuss the Workgroup Consultation responses and draft Legal Text.

Objectives and Timeline

The Chair noted that the Workgroup Report will be submitted by mid-May, with Workgroup 8 on 18 March focussing on the Workgroup Report and draft Legal Text. The Draft Final Modification Report will be submitted to the Panel by the end of July.

Actions Log

The following actions were discussed:

Action 8

The Chair confirmed that the amended Terms of Reference was approved at the January CUSC Panel. The action was closed.

Action 14

The Chair confirmed that this action will be considered ongoing, while the draft Legal Text is developed and reviewed by NESO Legal. The action will remain open.

Action 21

The Chair confirmed that there has been no update on progress from the action owner. The action will remain open.

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Action 27

The Proposer confirmed that they would share draft Legal Text before Workgroup 8. The action will remain open.

Action 30

The Proposer confirmed that the NESO SME had provided details of the queries related to directly connected demand data and SGT discrepancies. An email summarising those details will be shared with the Workgroup. The action will remain open, pending further comments at the next Workgroup meeting.

Action 31

A workgroup member Alternate confirmed that they were finalising the Scottish TO data and would provide a full update at the next Workgroup meeting. The action will remain open.

Actions 32 to 35

Actions 32 to 35 were discussed and updates provided, with points of clarification needed before considering them closed. The actions will remain open until the next Workgroup meeting.

Workgroup Consultation

The Chair summarised the consultation responses, noting that 21 non-confidential responses and five confidential responses were received. The confidential responses will be submitted directly to the Authority. No Alternative Requests were received. Respondents included DNOs, Generators, a Supplier, the System Operator, Transmission Owners, and consultants. Specific points noted by the Chair and discussed by Workgroup members were:

Applicable Objectives and Level of Support

Most respondents considered the proposal best facilitated the relevant CUSC objectives, with strong support for the proposed implementation approach. All respondents agreed with the Workgroup's assessment that the modification does not impact the EBR Article 18 Terms and Conditions.

Support From Respondents

Supportive responses highlighted improved competition, increased consistency of treatment across connection types, facilitation of renewable and storage investment, clearer signals for Gate 2 decisions, and reduced risk for smaller embedded projects. Moving costs to TDR was viewed by many respondents as reasonable and aligned with wider system objectives.

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Concerns Raised by Respondents

Concerns raised by respondents included potential weakening of cost reflectivity, increased consumer costs, regulatory misalignment with other reforms, legal and operational complexity, and risks associated with the proposed implementation timeline. Respondents also raised uncertainty around treatment of existing agreements and potential inefficient network investment.

Competition and Cost Reflectivity

The Proposer led a discussion on whether the modification improves or distorts competition. The Proposer argued that the proposal removes geographic inconsistencies by aligning charging treatment across GSPs. A Workgroup member and an Observer raised concerns that shifting costs away from embedded Users could distort cost recovery and increase charges for transmission connected Users and demand. The discussion explored whether existing infrastructure charging arrangements are already cost reflective and whether CMP460 should be judged against the current baseline rather than future reforms. No consensus was reached, but the issues were acknowledged.

Regulatory Alignment and Interaction with Other Modifications

Participants discussed interaction with other ongoing reforms and modifications, including charging reform and CMP328. Concerns were raised that progressing CMP460 ahead of wider reforms could result in misalignment or rework. The Proposer stated that, to date, the Authority had not indicated that CMP460 should be paused and that the modification addresses a distinct defect in asset classification.

Legal Text

The Proposer confirmed that the initial Legal Text drafting would focus on CUSC Section 14. The aim is to reflect the principles and worked examples shared previously, in order to provide clearer and more operable Legal Text.

The Proposer asked whether the definitions of ‘connection assets’ and ‘infrastructure assets’ should sit in Section 11 rather than Section 14. An Observer stated that the lack of explicit definitions has caused longstanding issues, with a Workgroup member noting that moving definitions could introduce administrative complexity and unintended consequences. No decision was taken, but the Proposer agreed to consider the implications.

A Workgroup member emphasised the importance of clearly defining whether Asset sharing is determined by CUSC contractual counterparties rather than non CUSC Users. It was stated that

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ambiguity in this area materially affects charging outcomes and should be addressed in the Legal Text.

The Workgroup discussed potential unintended consequences of reclassification for securities and attribution. The NESO SME agreed to check current practice regarding whether securities treatment differs between connection Assets and infrastructure Assets, particularly for attributable works.

During a discussion about timescales for drafting the Legal Text, the NESO SME noted that it could take at least a month to complete following a review by NESO Legal, with longer timescales possible depending on complexity. It was suggested that worked examples could support understanding of the Legal Text once drafting is more advanced.

Next Steps

The Proposer will draft revised Legal Text and circulate it to Workgroup members ahead of the next Workgroup meeting. The Chair will create a collaboration space to support collective review of documents by Workgroup members. The Action 30 response previously shared by the NESO SME to the Proposer will be circulated to Workgroup members.

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	Closed
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
27	WG5	JC / AH	Produce first draft of Legal Text, to be reviewed by NESO Commercial Codes and Legal.	WG6	Open
30	WG6	AH	Confirm queries regarding directly connected demand data and SGT discrepancies.	WG7	Open

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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
36	WG7	JC/KM	Consider developing worked examples to demonstrate how the revised Legal Text would apply to typical connection scenarios.	WG8	New

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
Chris Patrick	CP	Ofgem	Authority Representative
Damian Clough	DC	SSE Generation	Workgroup Member
Drew Johnstone	DJ	Northern Power Grid	Workgroup Member
Dimitrios Terzis	DT	SSEN Transmission	Workgroup Member Alternate
Edda Dirks	ED	SSE Generation	Workgroup Member Alternate
Greg Stevenson	GS	SSEN Transmission	Observer
Jonathan Oguntona	JO	BayWa r.e. UK Limited	Observer
Kyle Murchie	KM	Roadnight Taylor	Workgroup Member

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Lina Apostoli	LA	ESB	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Ollie Easterbrook	OE	NGED	Workgroup Member Alternative
Patrick O'Mahony	POM	Ørsted	Workgroup Member Alternate
Shannon Murray	SM	ScottishPower Renewables	Workgroup Member Alternate
Steffan Jones	SJ	SP Electricity North West	Workgroup Member Alternate
Will Bowen	WB	UKPN	Workgroup Member Alternate