

Public

# Code Administrator Meeting

## Summary

Workgroup Meeting 3: CMP456: Cost Recovery for legacy plant in relation to GCO168

CMP466: CMP456 Consequential Charging Modification

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**Date: 23 April 2026**

### Contact Details

Chair: Kat Higby, [kat.higby@neso.energy](mailto:kat.higby@neso.energy)

Proposer: Tim Ellingham, [tim.ellingham@rwe.com](mailto:tim.ellingham@rwe.com)

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### Key areas of discussion

The Chair set out the agenda, which covered a review of the current timeline and actions, presentation from the Charging/Revenue team on Balancing Services Use of System (BSUoS) tariffs, specifically to inform discussion on CMP466, with scope for questions, a discussion on the Workgroup Consultation, as well as next steps.

### Action Log Review

#### Action 8 (Action to remain open)

The Proposer confirmed they have been unable to locate the previous models to date and noted that doing so may raise sensitivities. It was agreed that the action would remain open while they consider appropriate next steps, including whether anonymised information could be sourced.

#### Action 7 (Action closed)

The revised timeline was shared with the Workgroup.

### BSUoS Tariffs Presentation

The NESO Revenue Team provided a high-level overview of BSUoS tariffs, explaining that they recover the costs of balancing the electricity transmission system and NESO internal costs, and since April 2023 have been charged as a fixed half-hourly tariff paid by final demand sites only.

They outlined how BSUoS tariffs are set on a six-monthly basis, the key cost drivers (notably volatile balancing costs influenced by wholesale prices and renewables), and how forecasts are developed using NESO's internal modelling. They also explained the role of over/under-recovery

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adjustments, additional cost categories (including modification impacts such as CMP398), and how revenue and costs are monitored to manage cashflow risk, including the potential need for tariff resets. The presentation concluded with an overview of upcoming BSUoS tariff publications and the importance of having a robust cost forecast ahead of December tariff setting.

Following NESO's presentation on BSUoS tariffs, the Workgroup discussed how costs arising from CMP466 might be recovered through BSUoS and sought clarification on who ultimately bears those costs. Clarification was provided that BSUoS charges are levied on suppliers and directly connected transmission demand and ultimately recovered from customers, which addressed concerns around potential inequities for DNOs and embedded generators.

A significant discussion focused on the complexity associated with medium power stations, particularly where there is no direct contractual relationship with NESO, and the potential need for cross-code consideration (including DCUSA) to support model requests and cost recovery. The Workgroup referenced CMP398 and CMP412 as relevant precedents for BSUoS cost recovery but noted uncertainty around how closely these approaches could be replicated. It was also noted that any costs intended to be included in BSUoS tariffs for 2027/28 would need to be confirmed by December to align with tariff publication timelines. No final conclusions were reached, but it was agreed that further review of precedent and additional Workgroup discussion would be required before confirming a solution.

## Workgroup Consultation Discussion

The Workgroup discussed whether sufficient progress had been made to proceed to Workgroup Consultation for both modifications and concluded that this was appropriate, noting different levels of maturity between the two. For CMP456 (non-charging), Workgroup members agreed that the solution was sufficiently developed and well understood to support consultation without further Workgroup meetings.

For CMP466 (charging), while the detailed solution and legal drafting were not yet developed, the Workgroup agreed that consultation could still proceed on the high-level principles, particularly the appropriateness of recovering costs through BSUoS rather than on detailed implementation. It was agreed that consultation questions should test support for BSUoS-based cost recovery, invite views on whether an additional BSUoS cost component is appropriate, seek feedback on any additional cost components associated with EMT model production and maintenance, and gather views on the proposed five-year claims window aligned with the Grid Code compliance repeat plan.

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Workgroup members also noted that earlier charging modifications, such as CMP398 and CMP412, provided useful precedent, but considered it beneficial to consult explicitly in this case to capture wider industry views. The Workgroup agreed to proceed to consultation for both modifications, with the draft consultation documentation to be circulated for a Workgroup review ahead of issue on a tight timeline.

## Any Other Business

The Workgroup discussed the need to begin developing legal text for CMP456 and CMP466, recognising that this would need to be aligned with an agreed solution and not pre-empt Workgroup decisions. It was agreed that only an initial draft should be prepared at this stage, focusing on identifying relevant CUSC sections rather than drafting a final solution, and that this should be developed collaboratively with input from the Proposer.

It was emphasised that NESO should not be seen to define the solution for a non-NESO proposal, and that further bilateral discussions between the Proposer and legal representatives would be required before progressing detailed drafting.

## Next Steps

The Chair advised that Workgroup Consultation should proceed for both CMP456 and CMP466, with Consultation documents to be circulated by the end of the week for a short Workgroup review ahead of issue. Workgroup members were asked to review CMP398 (and CMP412) documentation to inform further discussion on charging and cost recovery principles.

## Actions

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

Action Number Raised	Workgroup	Owner	Action	Due by	Status
8	WG2	TE	Check previous models and share with the Workgroup.	Ongoing	Open
9	WG3	KC	Review CMP398 (and related precedent) and consider how the approach used there may inform options for CMP466, with feedback to be provided to the Workgroup.	WG4	Open

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10	WG3	All	Review of previous charging modifications, particularly CMP398, to inform further discussion on cost recovery.	WG4	Open
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## Attendees

Name	Initial	Company	Role
Kat Higby	KH	NESO	Chair
Sarah Williams	SW	NESO	Tech Secretary
Tim Ellingham	TE	RWE	Proposer
Aishwarya Harsure	AH	Neso	NESO Representative
Andrew Colley	AC	SSE Generation	Workgroup Alternate
Belinda Gonzales Parrado	BGP	ScottishPower Renewables	Workgroup Alternate
Caitlin Butchart	CB	InterGen	Workgroup member
Chris Smith	CS	Natural Power Consultants Ltd	Workgroup observer
Ghulam Haider	GH	Ofgem	Authority Representative
Gopi Yericherla	GY	NESO	NESO SME
Isaac Gutierrez	IG	ScottishPower Renewables	Workgroup member
Jack Purchase	JP	NGED	Workgroup member
Katie Clarke	KC	NESO	NESO SME
Neil Dewar	ND	NESO	NESO Representative alternate
Nicky Jones	NJ	NESO	NESO SME

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Paul Jones	PJ	Uniper	Workgroup alternate
Paul Youngman	PY	Drax	Workgroup member
Ross Strachan	RS	EDF-PS	Workgroup member
Utkarsh Agarwal	UA	ESB Generation and Trading ESB INDEPENDENT GENERATION TRADING LIMITED	Workgroup member