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Code Administrator Meeting

Summary

Workgroup Meeting 4: CMP475: Amendment to the BSUoS tariff reset process

Date: 15 May 2026

Contact Details

Chair: Robert Hughes, robert.hughes3@neso.energy

Proposer: Alex Curtis, alex.curtis@neso.energy

Key areas of discussion

Workgroup 4 covered a presentation of the legal text by the Proposer, and a review of the Workgroup Consultation led by the Chair.

Objectives and Timeline

The Chair presented the timeline

Proposer Presentation

The Proposer presented on the topic of the CMP475 Terms of Reference **f) Consider the impacts on the security and safety of the system.**

- **Clarification of System Security and Safety Impacts:** The Chair and Workgroup discussed the CUSC Panel's request to clarify whether the proposed Modification affects security and safety of the system, agreeing to explicitly state in the Workgroup Consultation report that the Modification does not impact the security and safety of the system, and to add a clear explanatory section for industry stakeholders.
- **Panel Request for Clarification:** The Chair explained that the CUSC panel specifically asked the Workgroup to address the issue of system security and safety in relation to the CMP475 modification.
- **Discussion of NESO Actions and Cash Flow:** One Workgroup member questioned whether NESO would ever compromise system security due to insufficient funds. The Proposer and NESO SME clarified that system balancing actions are always taken as needed, independent of cash flow, and that CMP475 is intended to ensure sufficient funds are available for settlements.
- **Context of Panel Concerns:** One Workgroup member provided context, noting that the CUSC Panel's concern arose from NESO's presentation, which referenced a potential risk to system security under current arrangements, and that Ofgem's urgency decision letter also addressed this point.

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- **Agreement to Explicitly Address in Consultation:** One Workgroup member suggested adding a clear bullet point in the Workgroup Consultation materials stating that the Modification does not impact system security and safety. One Workgroup member recommended updating the slides and Workgroup Consultation report promptly to avoid confusion; The Chair confirmed this update would be included in the Workgroup Consultation report.

Legal text

Finalisation and Review of Legal Text: The Proposer led a detailed review of the updated CMP475 Legal text for the Workgroup, highlighting minor wording changes and the Chair confirmed the draft Legal text is ready for industry consultation.

- **Legal Team Review and Changes:** The Proposer summarised recent discussions with the NESO Legal team, noting that the intent of the Legal text remains unchanged, but several minor amendments were made for clarity and accuracy, such as reinstating forecasts and deleting confusing terms.
- **Specific Amendments Highlighted:** The Proposer walked through specific changes, including reinstating the forecast language, removing references to an industry fund that does not exist, and combining two clauses for clarity, as well as minor formatting corrections.
- **Workgroup Feedback Incorporated:** The revised Legal text incorporated feedback from the Workgroup, such as ensuring definitions are aligned with good industry practice and clarifying the mechanism for restoring the Working Capital Facility.
- **Confirmation for Consultation:** The Chair confirmed with Workgroup that the updated Legal text is ready for inclusion in the Workgroup Consultation report to be published for 19 May.

Workgroup Consultation

Preparation and Approval of Workgroup Consultation Report: The Chair led a review of the draft Workgroup Consultation report, including recent amendments and the addition of a section on system security, and confirmed with the Workgroup that the Workgroup Consultation report is ready for publication and industry consultation.

- **Report Amendments and Review:** The Chair summarised the changes made since the last meeting and the report being shared with the Workgroup for review, including minor drafting corrections and the replacement of Working Capital 'Fund' with 'Facility', and confirmed that the scope, defect, solution, and implementation approach remain unchanged.
- **Addition of System Security and Safety Section:** A new section addressing response to Terms of Reference f) *Consider the impacts on the security and safety of the system*, will be added to the Workgroup Consultation report to ensure clarity for industry stakeholders.

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- **Consultation Questions Finalised:** The Chair presented the specific Workgroup consultation questions, including those about NESO's ability to use the top-up mechanism and circumstances where it may not be appropriate, inviting final comments and confirming their inclusion.

Terms of Reference (ToR)

The Chair outlined the approach for ensuring all Terms of Reference are addressed, including a post-consultation review and the incorporation of Workgroup Meeting 4 discussions relating to Terms of Reference f) on system security and safety into the Workgroup Consultation report.

Any Other Business

None

Next Steps

The Chair confirmed the Workgroup Consultation will be published Monday 19 May at 5pm and will close on Monday 25 May at 5pm, with the next Workgroup meeting scheduled for Thursday 28 May when the Workgroup Consultation responses feedback will be presented to the Workgroup.

Actions (none identified at Workgroup meeting 1, 2, 3 and 4)

Action Number Raised	Workgroup	Owner	Action	Due by	Status
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Attendees

Name	Initial	Company	Role
Robert Hughes	RH	NESO	Chair
Andrew Hemus	AH	NESO	Tec Sec
Alex Curtis	AC	NESO	Proposer
Martin Cahill	MC	NESO	Proposer alternate
Andy Colley	ANC	SSE	Workgroup member alternate
Damian Clough	DC	SSE	Workgroup member
Gareth Evans	GE	Waters Wye Associates	Workgroup member
Ghulam Haider	GH	Ofgem	Authority Representative

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Gregory Edwards	GRE	Centrica	Workgroup member alternate
Karl Maryon	KM	Drax Energy Solutions Limited	Workgroup member
Katie Clark	KC	NESO	SME
Louise Hellyer	LH	TotalEnergies Gas and Power	Workgroup member
Martin Cahill	MC	NESO	Proposer alternate
Pawel Czarnowski	PC	Scottish Power	Workgroup member