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Code Administrator Meeting

Summary

Workgroup Meeting 6: CMP470 – Introducing an Oversubscribed Technologies Commitment Fee (OTCF)

Date: 12 May 2026

Contact Details

Chair: Claire Goult, Claire.goult@neso.energy

Proposer: Andrew Enzor, Andrew.enzor@field.energy

Key areas of discussion

The primary objectives of the meeting were to review the Battery Energy Storage System (BESS) data provided to the Workgroup by NESO, address items in the action and query log, assess updates to the Proposer’s solution, evaluate and vote on alternative requests and discuss the project timeline.

Data Discussion

The BESS data for cancellations and securities had been requested by Workgroup members. The NESO SME explained that the dataset provided the latest available snapshot from when the Gate 2 to Whole Queue window first opened. The SME clarified that it does not include any updates made to Gate 2 offers after this point. The dataset covers both transmission-connected and embedded projects, but embedded projects are limited to BEGA and BELLA customers. This means only those with a direct transmission interface are included—distribution-only projects that are not BEGA or BELLA are excluded.

The NESO SME confirmed that the dataset mainly focuses on BESS projects, as well as co-located projects with a BESS component. Projects without a BESS element, such as wind-only projects, are excluded. Additionally, only projects with Gate 2 status at the time of the snapshot are included; projects with only Gate 1 status are not part of this dataset.

Several members expressed concerns regarding the dataset, noting that a significant number of projects are listed with connection dates before 2030, which are believed to be unrealistic. The NESO SME clarified that these dates represent what was recorded in the Connection Agreements at the time the snapshot was taken. Also acknowledging that these dates are subject to change and will likely be updated once revised Gate 2 information is submitted and processed. As a result, the dataset reflects historic contractual positions rather than accurate forecasts or validated delivery timelines.

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Several members requested that liabilities be separated between Phase 1 and Phase 2 projects, emphasising that this distinction would be especially useful for analysing long-lead-time projects and understanding how the risk profile influences OTCF design. The NESO SME noted that while the Phase 1 and Phase 2 breakdown is not immediately available in the shared dataset, it should be possible to perform this analysis using the raw underlying data without significant additional effort.

Action and Query log

Several actions were closed during the meeting. Actions 3, 6, 7, and 8 were proposed for closure as the required data had been provided or found to be straightforward. No additional datasets were needed.

Action 18 was closed after it was confirmed that Transmission Owners can participate in both Alternative votes and the Workgroup vote but are unable to propose alternatives.

Action 22 concluded with the distribution of a document summarising all consultation feedback and an updated Workgroup Report.

Action 24, concerning force majeure and cancellation charges, remained open pending member review and feedback and action 25 was closed following the circulation and update of the alternative vote spreadsheet, which now includes a parameter comparison for all alternatives.

Proposer Update

The Proposer delivered an update on the CMP470 Original solution, concentrating on enhancing the OTCF activation method and the management of advancing projects. The main change proposed is to adjust the activation timing: instead of waiting for all offers from the first gated application window to be either signed or lapsed, OTCF activation would now take place once all Gate 2 to Whole Queue offers are signed or lapsed, and projects from the first gated window have been assigned either Gate 1 or Gate 2 status. This approach aims to prevent unnecessary delays stretching into 2028 while still effectively addressing uncertainties related to Gate 2 to Whole Queue attrition.

The Proposer noted that this method might slightly overstate oversubscription at the point of activation. However, it would help minimise the need for additional OTCF increments later, they also clarified the application of OTCF to staged connections: OTCF would apply only to parts of a project that are not yet energised, and the liability would decrease as each stage is brought online. Additionally, the Proposer invited the Workgroup members to provide feedback on whether later stages—with no associated works or connection costs—should be excluded from OTCF requirements. This led to extensive discussion on co-located and staged projects, including

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differing transmission and distribution perspectives on network impact and concerns about penalising viable projects during construction.

Actions arising included the Proposer agreeing to consider refinements to carve-out wording (e.g. “minimal attributable works” rather than absolute zero), to reflect on whether staged projects exiting later stages via non-gated modification applications could be temporarily exempt from OTCF increments, and to check whether NESO publishes Gate 1 and Gate 2 outcomes consistently following gated windows. It was also acknowledged that translating the revised activation approach into legal text would require careful drafting but was considered feasible using existing defined terms, with further work needed alongside NESO legal to develop text and share an indicative direction of travel with Workgroup Alternative owners.

Alternative Requests Discussion

The Workgroup reviewed several Alternative Requests to the Proposer’s solution, with discussion focused on whether these should progress to formal Workgroup Alternative CUSC Modifications. Alternatives were considered in turn, with proposers asked to confirm whether their proposals remained unchanged following the data discussion and proposer update, and whether they were ready for a vote.

Discussion covered issues such as the proportionality of OTCF levels, the risk of creating cliff-edge effects, treatment of co-located and hybrid projects, and whether OTCF should reduce gradually as oversubscription eases. Members also debated whether OTCF should continue to apply until energisation or instead fall away once projects reach key queue management milestones, particularly to avoid penalising projects already in construction.

Alternative Vote

The Workgroup members undertook a live vote on Alternative Requests 1, 2, 4, 5 and 6 to determine whether they should progress as formal Workgroup Alternative CUSC Modifications (WACMs). Alternatives 5 and 6 received majority support and were confirmed as Workgroup Alternatives, WACM1 and WACM2, to be progressed to legal drafting and considered alongside the Original proposal. The Chair confirmed that as Alternatives 1, 2 and 4 did not receive sufficient support and they will not be progressed.

Alternative 5 (introducing an OTCF cap and floor) was supported on the basis that it mitigates cliff-edge effects while retaining the incentive to exit oversubscribed queues, and Alternative 6 (ending OTCF at Queue Management Milestone M8) was supported to avoid penalising projects that have demonstrably progressed into construction.

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Timeline Extension Discussion

The Workgroup discussed whether the existing CMP470 timeline remained achievable considering the outcomes from Workgroup 6, including the progression of two Workgroup Alternative and the emergence of a further potential alternative late in the meeting.

Several members raised concern that legal drafting had not yet been sighted and that progressing multiple solutions without adequate time to review legal text could undermine the robustness of the process. Several participants noted the intensity and frequency of recent meetings and questioned whether the current schedule placed unnecessary pressure on Workgroup members, particularly given that OTCF implementation and payment impacts would not arise until 2027.

There was broad agreement that it was preferable to allow additional time, if needed, to ensure the solution is correctly designed and legally sound rather than adhering rigidly to an over-optimistic timetable. As a result, the Chair confirmed that the timeline would be revisited as a priority item at the next Workgroup meeting, with openness to extending the schedule should this be required to complete the work effectively.

Next Steps

Following Workgroup 6, the next steps are to progress the two WACMs (OTCF cap and floor, and OTCF ending at Queue Management Milestone M8) to legal drafting alongside the Original proposal, with NESO Legal developing text and sharing an indicative direction of travel with alternative owners where possible.

A further potential Alternative introduced late in the meeting will be refined by the Proposer and circulated for Workgroup consideration ahead of any vote. The draft Workgroup Report will be updated to reflect the data discussion, Proposer update, alternative outcomes and actions, and members were encouraged to review and provide feedback.

The Workgroup also agreed that the CMP470 timeline should be revisited as a priority at the next meeting, with openness to extending the schedule if required to allow adequate review of legal text and ensure a robust outcome before final Workgroup voting and submission to the Panel and Authority.

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Actions

For the full Actions Log, click [here](#).

Action Number Raised	Workgroup	Owner	Action	Due by	Status
26	WG6	DS	Add a clear written explanation to the data set specifying what is included in "current securities," "current liabilities," "maximum liabilities," and "maximum securities," and ensure the data set is tightly defined for new users.	WG7	Open
27	WG6	DS	Assess and provide information on the distribution of liabilities between projects in phase one and phase two and confirm what level of detail can be shared with the Workgroup. There was also a request to document precisely what the data set includes for future reference.	WG7	Open
28	WG6	CG	Prepare and share a summary of the data set discussion points for Deepak to review and tweak as needed for report	WG7	Closed
29	WG6	TOs/DNO	Gather and provide views from all Transmission Owners (TOs) and Distribution Network Operators (DNOs) on whether there is a negative network impact from having more BESS than needed, even if BESS is behind a co-located project, and articulate these impacts in writing for the Workgroup.	WG7	Open

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30	WG6	DG	Draft and propose a definition or criteria for "minimal attributable works or connection costs" for co-located projects to improve the carve-out wording and share with the proposer for consideration.	WG7	Open
31	WG6	AD	Confirm and clarify how NESO models batteries in relation to their impact on network capacity and attributable works and share this information with the Workgroup.	WG7	Open

Attendees

Name	Initial	Company	Role
Claire Goult	CG	NESO	Chair
Deborah Spencer	DSp	NESO	Technical Secretary
Andrew Enzor	AE	Field Energy	Proposer
Andy Ho	AH	Field Energy	Proposer Alternate
Alastair Southworth	AA	Harmony Energy	Workgroup Alternate
Alex Ikonic	AI	Road Knight Taylor	Workgroup Member
Alex Mannhardt	AM	Voltwise Power Holdings Limited	Workgroup Alternate
Andrew Dudkowsky	AD	NESO	NESO Representative
Andrew Colley	AC	SSE Generation	Workgroup Alternate
Ash Adams	AA	NESO	NESO Representative
Charles Saywell	CS	Apatura Energy	Workgroup Member
Chris Terry	CT	Fidra Energy	Workgroup Member
Chris White	CW	Research Relay Ltd	Workgroup Alternate
Ciaran Fitzgerald	CF	ScottishPower Renewables	Workgroup Member

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Claire Hynes	CH	RWE	Workgroup Member
Dan Milne	DM	On Path Energy	Workgroup Alternate
Deepak Solanki	DS	NESO	Workgroup Observer
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Gareth Williams	GW	Scottish Power Transmission	Workgroup Member
Gary Camplejohn	GC	Harmony Energy Ltd	Workgroup Member
George Radcliffe	GR	Econergy	Workgroup Member
Gerrad Mckillen	GM	Eden Renewables	Workgroup Alternate
Grahame Neale	GN	LightsourceBP	Workgroup Member
Hazel Starmer Jones	HSJ	BW ESS	Workgroup Observer
Helen Stack	HS	Centrica	Workgroup Member
Henry McDonald	HS	Voltwise Power	Workgroup Member
Jalal Aljarad	JA	Greentech Projects Holding UK Ltd	Workgroup Alternate
Jack Purchase	JP	NGED	Workgroup Alternate
Joe Colebrook	JC	Innova	Workgroup Member
Julia Magee	JM	Orsted	Workgroup Member
Karl Wilkins	KW	NGED	Workgroup Alternate
Kimbrah Hiorns	JK	EDF Power Solutions	Workgroup Alternate
Kim Dawson	KDa	SPEN	Workgroup Observer
Kirsty Dawson	KD	Statkraft	Workgroup Alternate
Kyran Hanks	KH	Waters Wye	Workgroup Member
Lamin Saidy	LS	Qair UK	Workgroup Member
Mattew Paige-Stimson	MPS	NGET	Workgroup Member
Matt Predescu	MP	Eclipse Power	Workgroup Alternate

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Mithun Suresh	MS	Masdar	Workgroup Member
Nathan Stevenson	NS	First Ways Energy	Workgroup Alternate
Navdeep Singh Gora	NSG	Northern Powergrid	Workgroup Member
Nik Froud	NF	Greentech Projects Holding UK Ltd	Workgroup Member
Nina Sanghera	NS	Drax	Workgroup Alternate
Ollie Frankland	OF	Regent	Workgroup Observer
Philip Pateman	PPa	Aukera Energy	Workgroup Member
Philip Patrick	PP	First Ways Energy	Workgroup Member
Ravinder Shan	RS	FRV Powertek Limited	Workgroup Member
Rebecca Wilson	RW	Q Energy	Workgroup Observer
Rob Smith	RS	ENSO Green Holdings Limited (EGHL)	Workgroup Member
Ross O Hare	ROH	SSEN	Workgroup Member
Ruth Matthew	RM	NESO	Workgroup Observer
Sam Aitchison	SAi	Island Green Power	Workgroup Member
Sarah Lightfoot	SL	Root-Power	Workgroup Member
Shabana Akhtar	SA	Ofgem	Authority Representative
Simon Wragg	SW	Ethos Green Energy Solutions Ltd	Workgroup Member
Tom Palmer	TP	Zenobe	Workgroup Member
Tom Sykes	TS	DESNZ	Government Observer