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# Code Administrator Meeting

## Summary

Workgroup Meeting 8: CMP470 – Introducing an Oversubscribed Technologies Commitment Fee (OTCF)

**Date: 19 May 2026**

### Contact Details

Chair: Claire Goult, [Claire.goult@neso.energy](mailto:Claire.goult@neso.energy)

Proposer: Andrew Enzor, [Andrew.enzor@field.energy](mailto:Andrew.enzor@field.energy)

### Key areas of discussion

Workgroup 8 focused on reviewing the agenda items set by the Chair, including discussion of the alternative 8 proposal, review of the legal text, and assessment of progress against the Terms of Reference. The meeting also considered the timeline and agreed next steps required to progress the modification.

### Alternative 8 Presentation/Discussion

NESO presented an alternative proposal to include all oversubscribed technologies within hybrid (co-located) projects in the Introducing an Oversubscribed Technologies Commitment Fee (OTCF), rather than exempting certain hybrid arrangements. The proposal aimed to promote consistency across technologies, avoid preferential treatment, and recognise that co-located assets may still have network impacts and influence queue management.

The Workgroup discussed the need to clarify how the NESO alternative differed from the Original proposal. It was agreed that the alternative would bring all oversubscribed technologies within hybrid (co-located) projects into the scope of the OTCF, thereby removing the targeted exemptions included in the original approach. However, several participants emphasised that the Original proposal only exempted a narrow subset of hybrid projects, not all co-located assets, and that the material difference between the two options might therefore be relatively small in practice.

A significant part of the discussion focused on whether hybrid projects, particularly battery projects, create wider network impacts. Some members argued that co-located batteries may not drive broader reinforcement requirements and instead primarily affect local or attributable works. Others noted that any change to a connection can still affect the network, for example through fault level, voltage, or overall system behaviour, which supported their inclusion within the OTCF. The Workgroup also strongly challenged the assumptions used in battery modelling

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and repeatedly sought clarity on whether batteries are assumed to contribute to wider network reinforcement and whether current modelling accurately reflects real system impacts. As a result, members requested further SME input and clearer supporting evidence, particularly from NESO and Transmission Owners, as the explanations provided to date were considered incomplete.

Several participants emphasised that the discussion remained largely qualitative and that additional evidence would be needed to support robust decision-making. Members highlighted the following areas where further information would be beneficial:

- Further evidence on network impacts, modelling assumptions, and the behaviour of hybrid projects was requested.
- Members also requested data on the number of affected projects and their MW capacity to assess the materiality of the issue.

There was concern that, without supporting evidence, decisions could be based on assumptions rather than quantified impacts. Another key theme in the discussion was whether excluding certain hybrid projects would result in unfair or inconsistent treatment. NESO argued that the alternative would avoid preferential treatment and align with wider reforms by ensuring that all oversubscribed technologies are treated consistently.

Some members challenged this view, suggesting that if hybrid projects do not materially affect other projects, applying the OTCF could impose costs without clear justification. There was also discussion about potential interactions with wider markets, such as the CfD and Capacity Market, although views differed on whether this should be considered a decisive factor.

Workgroup members questioned how significant the issue is in practice. It was suggested that the difference between the Original proposal and the alternative may affect only a relatively small subset of projects. However, others noted that, even if the number of affected projects is limited, the impact on those projects could still be significant. This led to a general view that both scale and impact need to be clearly understood before final conclusions are reached.

The discussion also considered how the alternative aligns with wider reforms. NESO presented the alternative as supporting queue management, more efficient connections, and Net Zero objectives. Some members questioned whether operational behaviour, future system assumptions, and broader reform considerations were being conflated with the immediate objectives of the modification.

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### **Alternative Vote**

The Chair invited eligible Workgroup members to vote on whether the NESO alternative should progress as a WACM. The alternative received 18 votes in favour and 15 against and was therefore approved for further development as WACM4.

### **Data Discussion**

The Proposer presented additional analysis, including views by project count and MW, which was welcomed by Workgroup members. However, the analysis did not lead to any new conclusions and was generally seen as reinforcing the existing understanding rather than materially changing the direction of the proposal. Workgroup members highlighted the importance of how the data is interpreted, noting the difference between project-count and MW-based views. For example, curves appeared steeper when assessed by MW, while the proportional impact of embedded projects appeared smaller when measured in capacity terms.

The discussion also identified several clarification points and corrections, including errors in previous datasets and the need to define the scope of the data more clearly. This included confirming which projects were covered, their planning status, and whether the analysis captured all embedded projects or only specific subsets. Several participants emphasised that data labelling and definitions must be precise to avoid misinterpretation, particularly in relation to embedded and transmission-connected projects and the methodology used to calculate oversubscription.

Overall, while the data was useful in illustrating trends and distributions, the Workgroup agreed that it did not materially change positions or resolve the key issues. Further clarity and contextual analysis were therefore considered important to support decision-making.

### **Legal Text Discussion**

The NESO representative outlined the status of the legal text, noting that feedback from NESO and Workgroup members was being incorporated, and highlighted key points such as the application of OTCF to embedded generators via DNOs and the inclusion of interconnectors.

The Proposer emphasised the importance of defining the timeline for calculating oversubscription and implementing the OTCF, suggesting that the process should align with securities statement issuance and allow sufficient time for NESO and Ofgem analysis.

The Workgroup agreed, after discussion, to explicitly exclude demand connections from the OTCF in the legal text, given ongoing policy development and the risk of unintended consequences, while ensuring interconnectors remain in scope.

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Overall, the legal text was recognised as early-stage and iterative, with agreement that significant further refinement, industry input, and collaboration would be needed before it is robust enough for final submission.

## Terms of Reference Review

The Chair led a review of the Terms of Reference, with input from the Proposer and other Workgroup members, identifying areas still requiring consideration (notably items f, h, and i).

## Timeline Extension and Next Steps

The Workgroup discussed the tight timeline for finalising the Workgroup Report, legal text, and outstanding actions, agreed to request a two-week extension, and outlined the process for upcoming meetings and the final Workgroup vote. The Chair clarified that alternative requests can still be raised up until the final Workgroup vote and emphasised the need for timely submission of any new alternatives to avoid further delays.

## Actions

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

Action Number Raised	Workgroup	Owner	Action	Due by	Status
35	WG8	AD/NESO SMEs	Provide a clear, written explanation of how NESO currently models batteries, particularly in relation to wider reinforcement and co-located projects, to address outstanding Workgroup questions.	WG9	Open
36	WG8	AD/NESO SMEs	Produce and share a data set showing the number and megawatts of hybrid projects that would meet the exemption criteria in the original solution (battery connects later, no tech	WG9	Open

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			increase, <£250k attributable works/connection costs).		
37	WG8	All Workgroup members	Submit in writing any outstanding questions or evidence requirements related to the new work group alternative (WACM4) to the chair by close of play today for NESO SME follow-up	WG9	Open
38	WG8	NESO SMEs	Confirm with NESO when Gate 2 Phase 1 (non-2026/27 protected) offers are expected to be issued, or if any TOCOs have been received, to inform the urgency and length of the requested timeline extension.	WG9	Open
39	WG8	NESO SME/AD/Proposer /Ofgem	Arrange and conduct an offline meeting (including Ofgem) to agree on the timeline and process for calculating oversubscription and applying the OTCF, to inform the legal text update	WG9	Open
40	WG8	Workgroup members	Review the draft Workgroup Report, focusing on whether all Terms of Reference (especially F, H, and I) have been adequately considered and provide feedback or additional evidence as needed	WG9	Open
41	WG8	AD	Can NESO supply the list of technologies to which the OTCF will apply.	WG9	Propose to close

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### Attendees

<b>Name</b>	<b>Initial</b>	<b>Company</b>	<b>Role</b>
Claire Goult	CG	NESO	Chair
Deborah Spencer	DSp	NESO	Technical Secretary
Andrew Enzor	AE	Field Energy	Proposer
Andy Ho	AH	Field Energy	Proposer Alternate
Ahmed Dabb	AD	Aura Power	Workgroup Member
Alastair Southworth	AA	Harmony Energy	Workgroup Alternate
Alex Curtis	AC	NESO SME	Workgroup Observer
Alex Ikonic	AI	Road Knight Taylor	Workgroup Member
Andrew Dudkowsky	AD	NESO	NESO Representative
Andrew Colley	AC	SSE Generation	Workgroup Alternate
Andrew Yates	AY	Statkraft	Workgroup Member
Ash Adams	AA	NESO	NESO Representative
Charles Saywell	CS	Aputura Energy	Workgroup Member
Chris White	CW	Research Relay Ltd	Workgroup Alternate
Ciaran Fitzgerald	CF	ScottishPower Renewables	Workgroup Member
Claire Hynes	CH	RWE	Workgroup Member
Daniel Sanderson	DS	NatPower Marine	Workgroup Member
Danya rogers	DR	NESO SME	Workgroup Observer
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Gareth Williams	GW	Scottish Power Transmission	Workgroup Member
Garth Graham	GG	SSE Generation	Workgroup Member
Gary Camplejohn	GC	Harmony Energy Ltd	Workgroup Member
George Radcliffe	GR	Econergy	Workgroup Member

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Gerrad Mckillen	GM	Eden Renewables	Workgroup Alternate
Grahame Neale	GN	LightsourceBP	Workgroup Member
Grant Rogers	GR	Q Energy	Workgroup Member
Hamzah Ahmed	GR	Denville Energy Consulting	Workgroup Observer
Helen Stack	HS	Centrica	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Alternate
Joe Colebrook	JC	Innova	Workgroup Member
Julia Magee	JM	Orsted	Workgroup Member
Karl Wilkins	KW	NGED	Workgroup Alternate
Khamun Ward	KWa	Voltwise Power Holdings Limited	Workgroup Alternate
Kimbrah Hiorns	JK	EDF Power Solutions	Workgroup Alternate
Kim Dawson	KDa	SPEN	Workgroup Observer
Kirsty Dawson	KD	Statkraft	Workgroup Alternate
Lamin Saidy	LS	Qair UK	Workgroup Member
Lee Wilkinson	LW	On Path Energy	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Mithun Suresh	MS	MASDAR	Workgroup Member
Navdeep Singh Gora	NSG	Northern Powergrid	Workgroup Member
Neil Brooks	NB	Root-Power	Workgroup Alternate
Ollie Frankland	OF	Electricity Storage Network	Workgroup Observer
Paul Smillie	PS	Scottish Power Transmission	Workgroup Alternate
Paul Younman	PY	Drax	Workgroup Member

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Philip Patrick	PP	Firstway Energy	Workgroup Member
Philip Pateman	PPa	Aukera Energy	Workgroup Member
Ravinder Shan	RS	FRV Powertek Limited	Workgroup Member
Rob Smith	RS	ENSO Green Holdings Limited (EGHL)	Workgroup Member
Ross O Hare	ROH	SSEN	Workgroup Member
Sam Aitchison	SAi	Island Green Power	Workgroup Member
Shabana Akhtar	SA	Ofgem	Authority Representative
Simon Sheridan	SS	NESO SME	Workgroup Observer
Simon Wragg	SW	Ethos Green Energy Solutions Ltd	Workgroup Member
Sonia Poonam	SP	NESO SME	Workgroup Observer
Tom Sykes	TS	DESNZ	Government Observer