

# **CMP456: Cost recovery for legacy plant in relation to GC0168**

## **CMP466: CMP456 Consequential Charging Modification**

Workgroup 4, 26 May 2026

Online Meeting via Teams

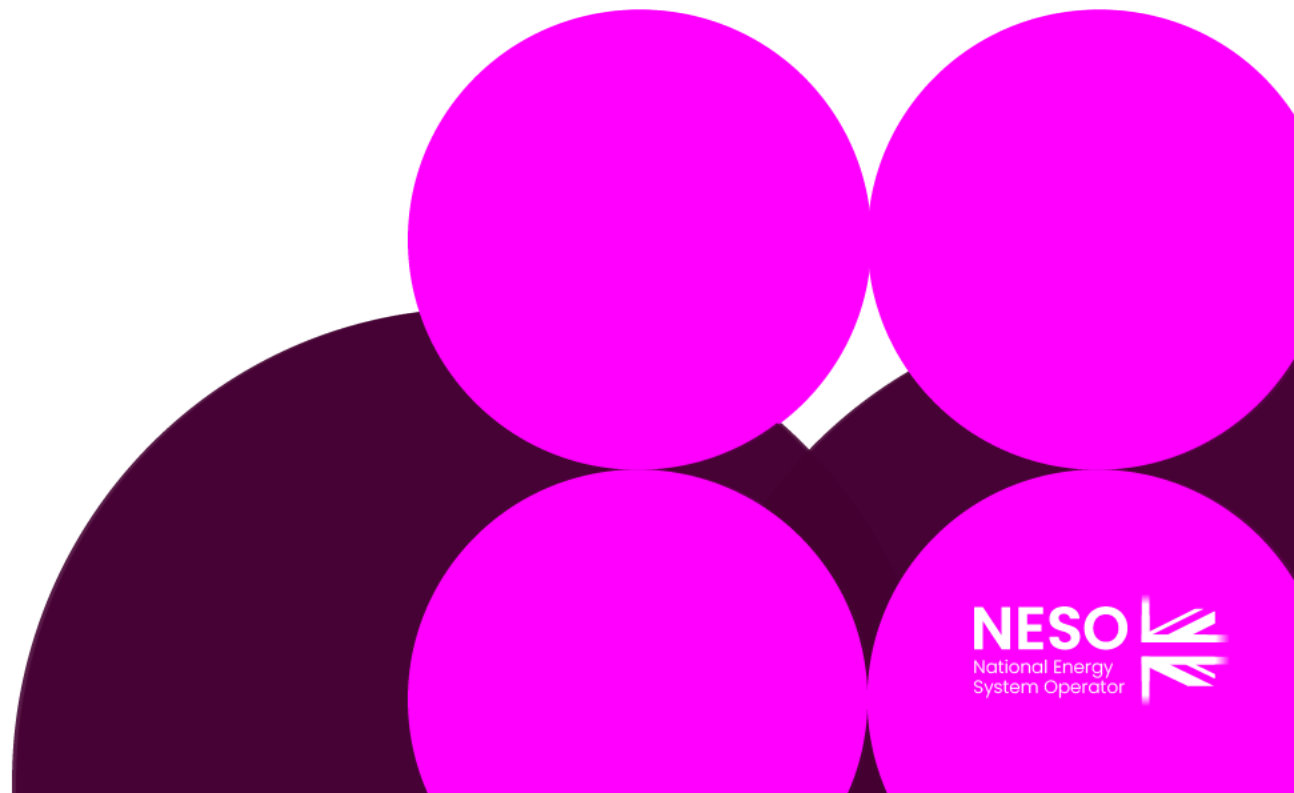
# WELCOME

# Agenda

Topics to be discussed	Lead
Introduction	Chair
Timeline	Chair
Outstanding Actions	Chair
Workgroup Consultation Responses Review CMP456	All
Workgroup Consultation Responses Review CMP466	All
Legal Text Review CMP456	All
CMP466 Update	AH
AOB	Chair
Next Steps	Chair

# Workgroup Responsibilities and Membership

Sarah Williams – NESO Code  
Administrator



## Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared – Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

## Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

# Workgroup Membership – CMP456

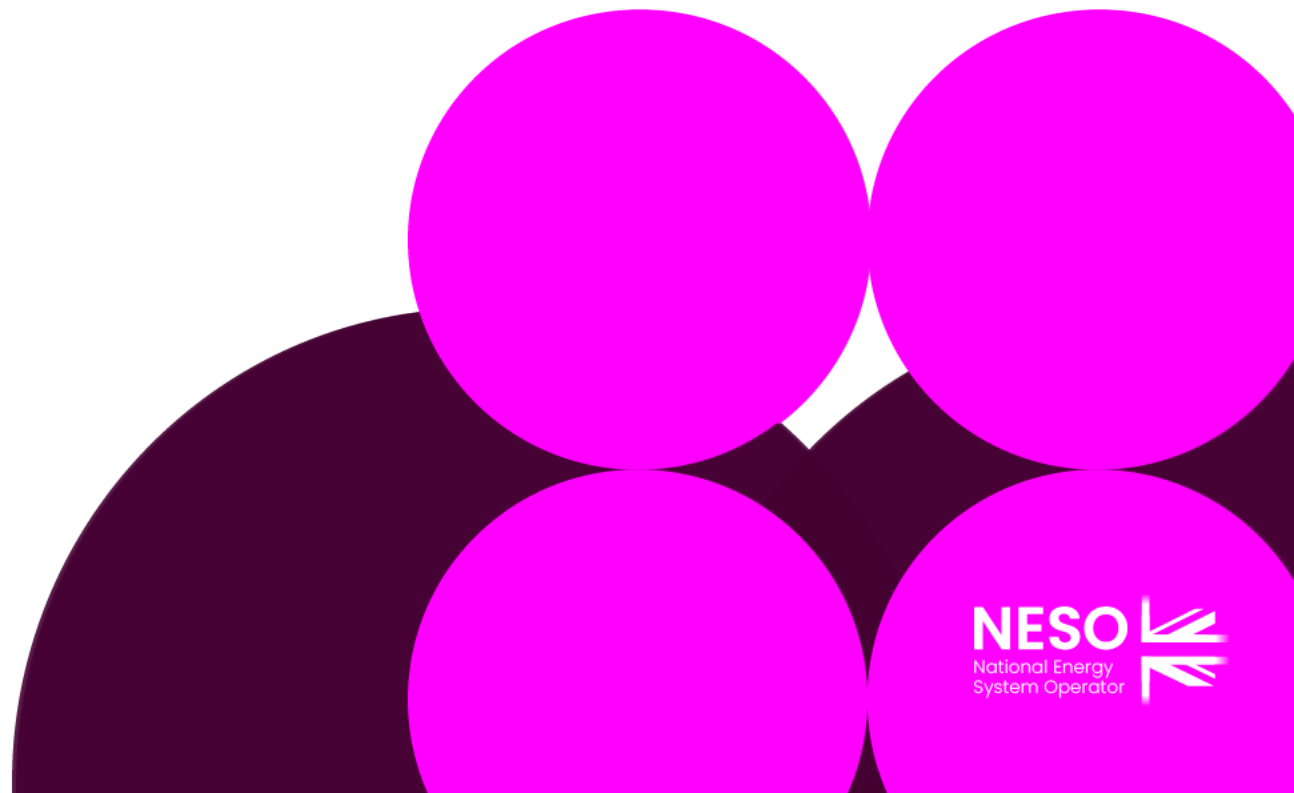
Role	Name	Company
Proposer	Tim Ellingham	RWE
Workgroup Member	Caitlin Butchart	InterGen (Needs Schedule 1 confirmation)
Workgroup Member	Garth Garham	SSE Generation
Workgroup Member	Isaac Guterrez	ScottishPower Renewables
Workgroup Member	Jack Purchase	NGED
Workgroup Member	Oliver Xing	Orsted
Workgroup Member	Paul Youngman	Drax
Workgroup Member	Ross Strachan	EDF-PS
Workgroup Member	Sean Gauton	Uniper
Workgroup Member	Utkarsh Agarwal	ESB Generation
Observer	Gopi Yericherla	NESO
Observer	Chris Smith	Natural Power Consultants Ltd
Authority Representative	Ghulam Haider	Ofgem

# Workgroup Membership – CMP466

Role	Name	Company
Proposer	Tim Ellingham	RWE
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Observer	Gopi Yericherla	NESO
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# Timeline

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Administrator



## Timeline for CMP456 and CMP466 as of 21 May 2026

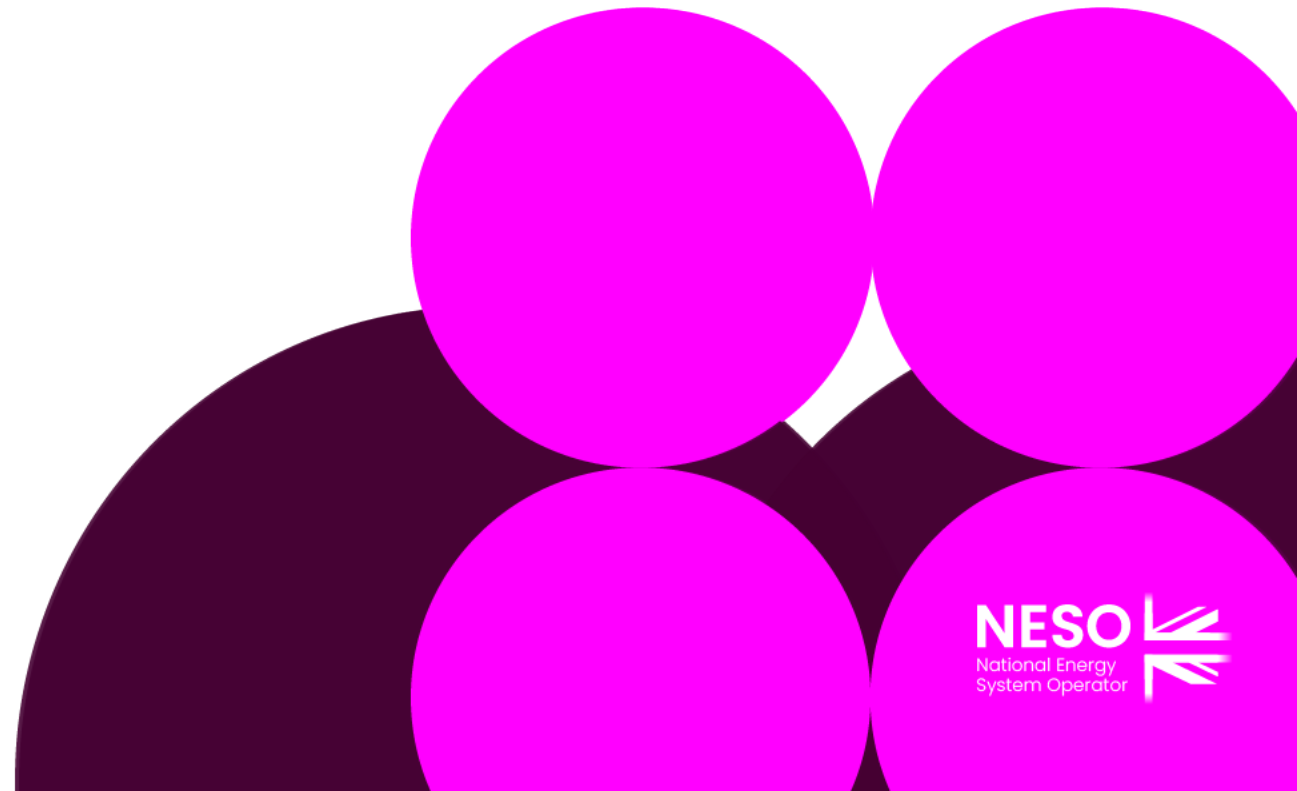
Pre-Workgroup		
Proposal raised	19/06/2025	
Proposal submitted to Panel	12/12/2025	
Workgroup Nominations	15/12/2025 to 08/01/2026	
Urgency Decision	16/01/2026 – Rejected	
Workgroups		
Workgroup 1	25/02/2026	Objectives and Timeline/Review and Agree Terms of Reference / Proposer presentation
Workgroup 2	18/03/2026	Solution Development / Workgroup Discussions
Workgroup 3	23/04/2026	Discussions on BSUoS / Workgroup Consultation Review
Workgroup Consultation	29/04/2026 – 20/05/2026	
Workgroup 4	26/05/2026	Review of Workgroup Consultation Responses / Alternative Requests Discussion/Review Solution Position
Workgroup 5	10/06/2026	Alternative Requests Presentations and Vote (if required) / Final Workgroup Report Review / ToR Sign-off / Final Legal Text Review (WACMS legal text)

## Timeline for CMP456 and CMP466 as of 21 May 2026

Post Workgroups		Key info
Workgroup Report submitted to Panel	18/06/2026	
Panel to agree whether ToR have been met	26/06/2026	
Code Administrator Consultation	01/07/2026 to 22/07/2026	
Draft Final Modification Report to Panel	20/08/2026	
Panel Recommendation Vote	28/08/2026	
Final Modification to Ofgem	08/09/2026	
Decision Date	TBC	
Implementation Date	TBC	

# Action Log Review

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Administrator

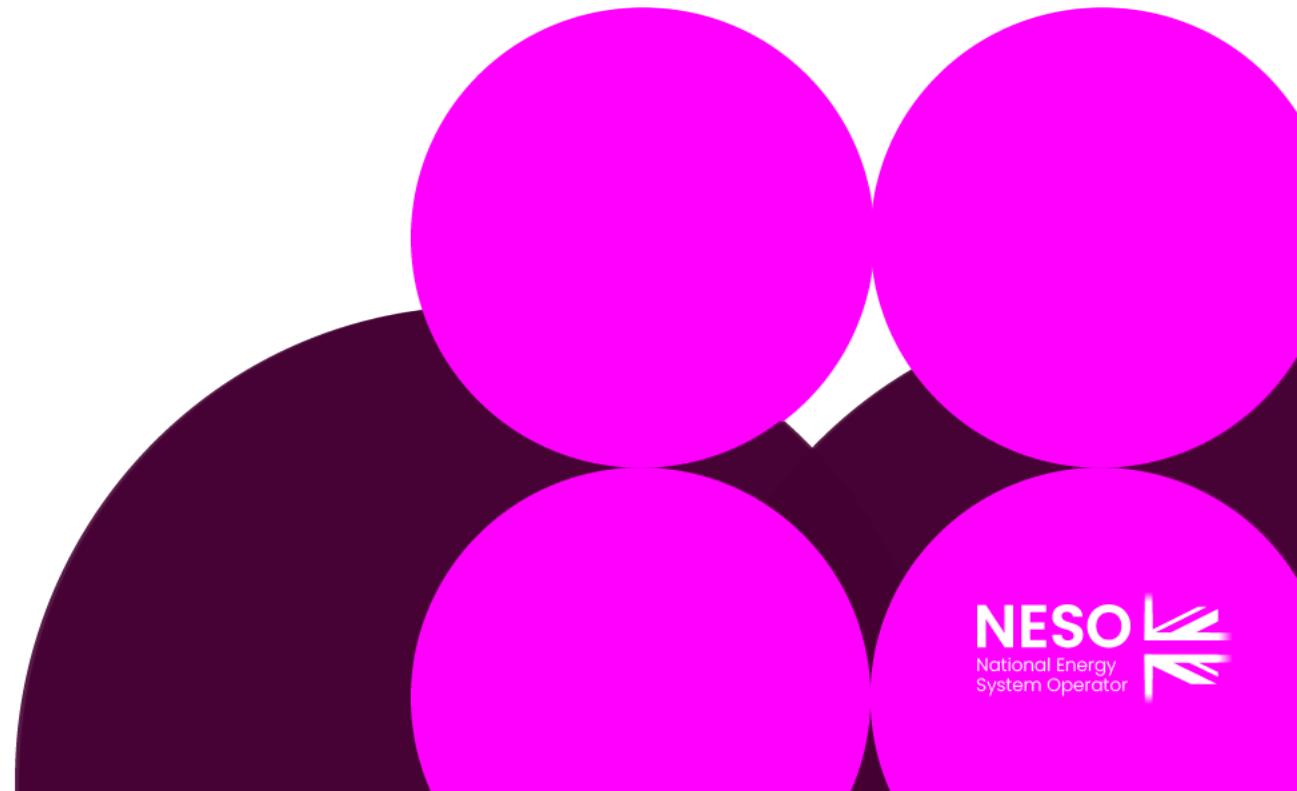


# Outstanding actions

Action number	Workgroup Raised	Owner	Action	Comment	Status
8	WG2	TE	Check previous models and share with the Workgroup	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.	Ongoing
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.		Open
10	WG3	All	Review of previous charging modifications, particularly CMP398, to inform further discussion on cost recovery.		Open

# Workgroup Consultation Responses Review CMP456

Sarah Williams – NESO Code  
Administrator



# Workgroup Consultation Responses

## Review CMP456

Q1 - Do you believe that the Original Proposal and / or WACMI better facilitate the Applicable Objectives? ( 5 Respondents in total)	None	(i)	(ii)	(iii)	(iv)
Original	1	4	3	1	3
WACMI	1	4	3	1	3

Question	Yes	No
Q2 - Do you support the proposed implementation approach?	4	1
Q3 - Do you have any other comments?	4	1
Q4 - Any alternatives?	1	4
Q5 - Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	5	0
Q6 - Do you have a view on the additional cost and ongoing maintenance of EMT models—beyond those covered in the original solution and the alternative request—that the Workgroup should consider?	0	5
Q7 - Do you agree with the proposed duration of the claims window (5 years as per the Compliance Repeat Plan)?	4	1

# Workgroup Consultation Responses

## Review CMP456

### Key points:

#### **Cost recovery is essential and must be clear**

##### **Repeated points:**

Need for clear cost recovery mechanisms

Cost recovery needed to avoid financial burden / delays

Must be aligned with actual EMT costs

#### **Fair cost allocation and avoiding consumer impact**

##### **Repeated points:**

Costs should be recovered from the appropriate party

Concerns about costs flowing to consumers (e.g. via BSUoS)

Risks of over-recovery (especially WACM1)

# Workgroup Consultation Responses

## Review CMP456

### Key points:

#### Concerns around embedded generators and access (via DNOs)

##### Repeated points:

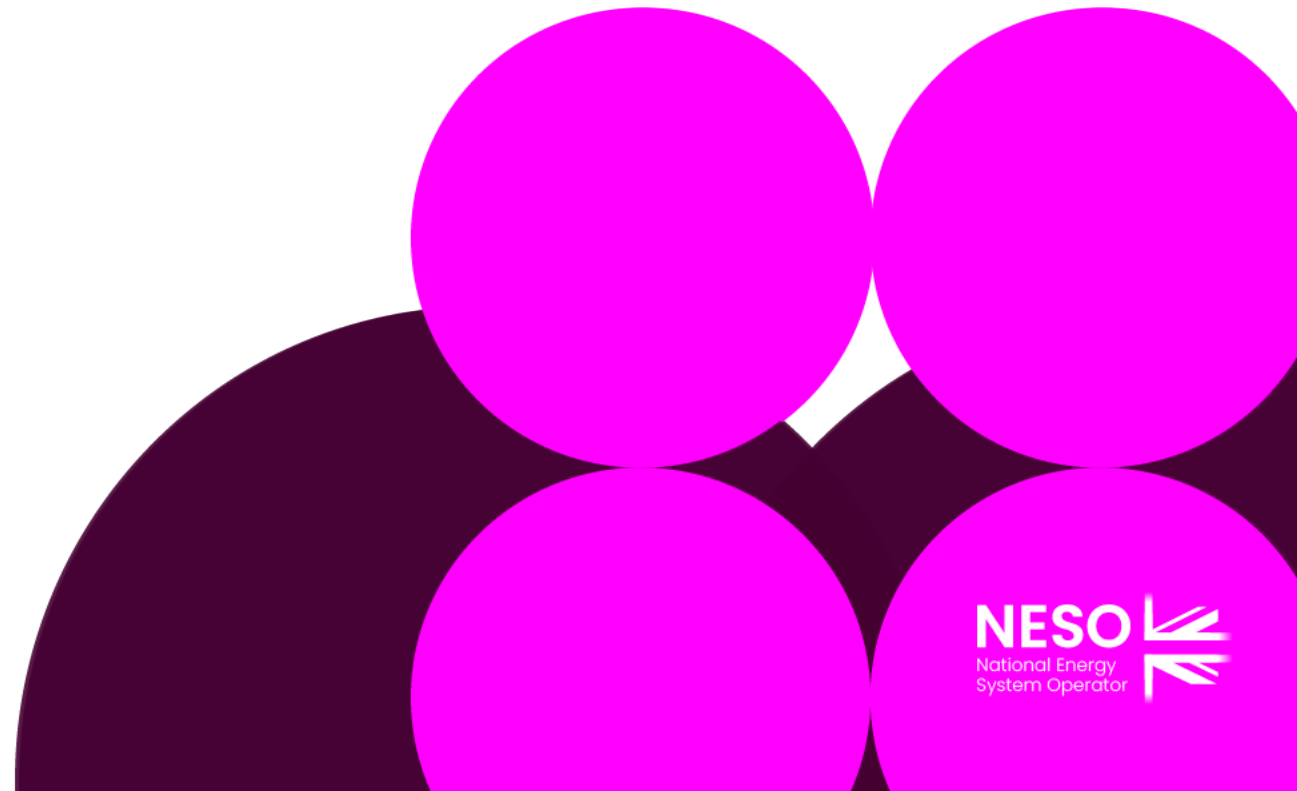
Lack of clarity on how embedded generators access the mechanism

Risk of exclusion without DNO involvement

Suggestion that DNOs act on behalf of embedded customers

# Workgroup Consultation Responses Review CMP466

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Administrator



# Workgroup Consultation Responses

## Review CMP466

Q1 - Do you believe that the Original Proposal and / or WACM1 better facilitate the Applicable Objectives? (6 Respondents in total)	None	(d)	(e)	(f)	(h)
Original	1	2	0	0	1

Question	Yes	No
Q2 - Do you support the proposed implementation approach?	2	0
Q3 - Do you have any other comments?	1	0
Q4 - Any alternatives?	2	0
Q5 - Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?	3	0
Q6 - Do you agree that it is appropriate to recover charges through BSUOS?	2	0

# Workgroup Consultation Responses

## Review CMP466

### Key points:

2 out of 3 respondents support recovering EMT modelling costs through BSUoS because it spreads costs across all users who benefit from system security and avoids unfairly burdening existing generators.

One respondent notes the proposed implementation is pragmatic and transparent, especially if it uses the existing BSUoS charging framework to keep administration simple and predictable.

There is a call for coordination with DCUSA and DNOs so obligations and cost recovery are applied consistently and transparently across the industry.

One respondent disagrees with recovery through BSUoS, arguing it would place unclear and potentially unnecessary costs on consumers even though EMT modelling itself is technically supported in principle.

# Workgroup Consultation Responses

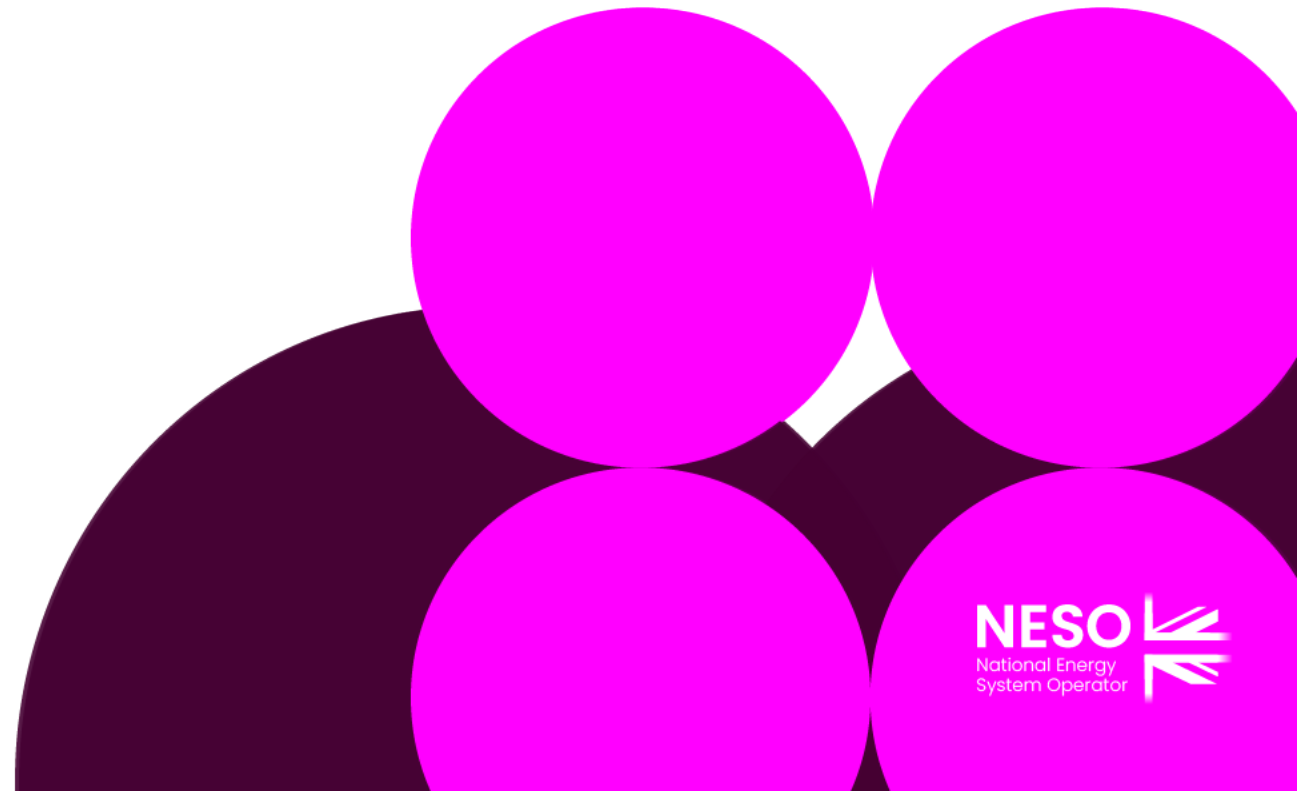
## Review CMP466

### Key points:

Concerns were also raised that CMP466 may be premature or unnecessary, as related modifications should be assessed separately and some believe CMP456 costs may already be recoverable within existing BSUoS arrangements.

# Legal Text Review CMP456

Neil Dewar– NESO Representative



Internal Use Only

# CMP466 – EMT Model Cost-Recovery (BSUoS Internal Cost Consideration)

Aishwarya Harsure

## EMT Model cost recovery via BSUoS Internal Costs

- EMT model costs are an engineering compliance cost (not balancing services)
- If invoiced to NESO, they can be treated as operational/internal costs
- Recoverable via BSUoS internal costs under existing arrangements
- No amendments to CUSC Section 14 or ESO Licence appear to be required

This suggests CMP466 may not be required, subject to confirmation from NESO Legal.

Note: Based on internal discussions; subject to confirmation from NESO Legal. Not a formal NESO position.

## BSUoS Internal Costs – Definition

- CUSC Section 14.31.4
- ESO Licence Condition F1, Part D

$$\mathbf{INTE = ETE + OSC - OR + LEG + OA}$$

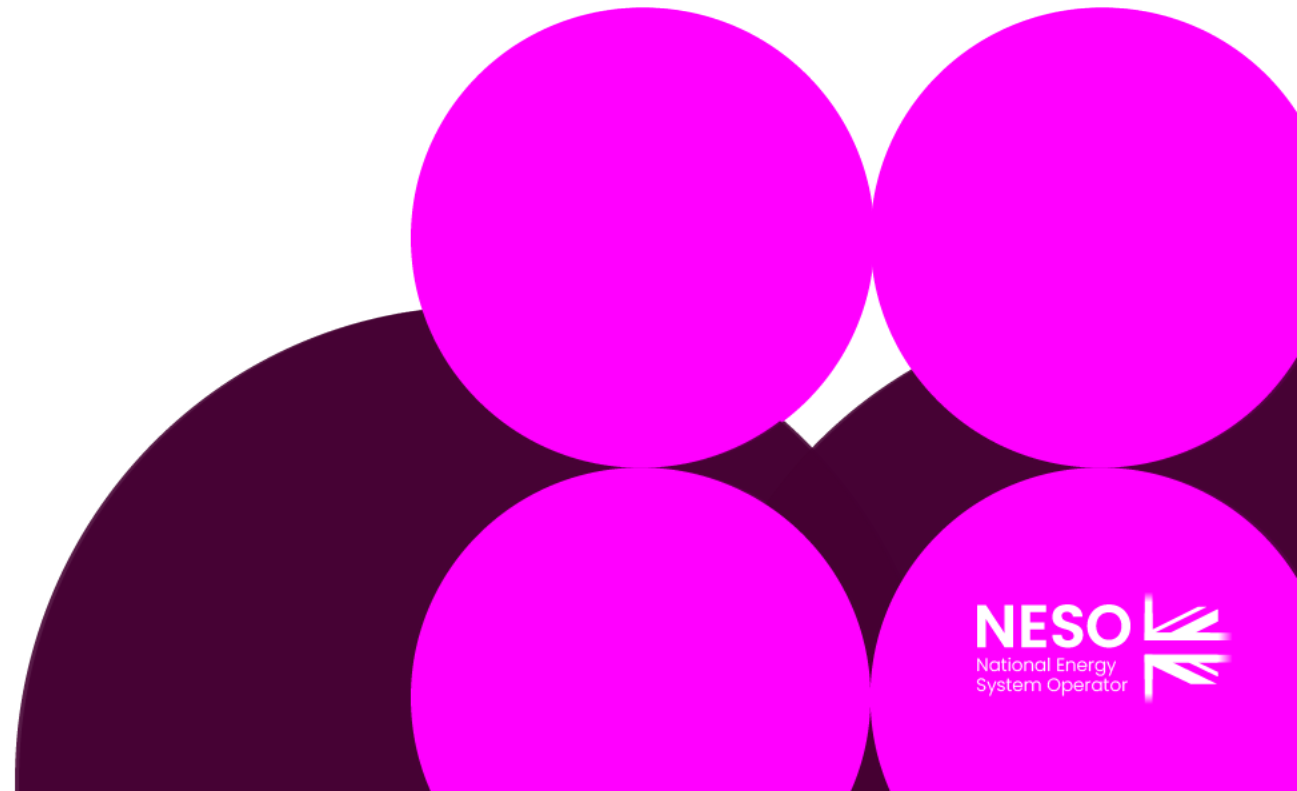
Where:

**ETE** means all expenditure incurred by the licensee in undertaking its business, excluding Gas Licence Expenditure, External Expenditure and any expenditure recovered under OSCt

**EMT model costs would fall within ETE if invoiced to NESO and confirmed by Legal.**

# Any Other Business

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# Next Steps

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