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Code Administrator Meeting

Summary

Workgroup Meeting 15: CMP470 – Introducing an Oversubscribed Technologies Commitment Fee (OTCF)

Date: 10 June 2026

Contact Details

Chair: Claire Gault, Claire.gault@neso.energy

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

Key areas of discussion

Workgroup 15 focused on finalising the CMP470 legal text for the Original proposal and all WACMs, alongside the Workgroup Report. The meeting also covered the closure of outstanding actions, confirmation that the Terms of Reference had been met, and preparation for the Workgroup Vote.

Battery Project – Proposers Analysis

The Proposer of the Original proposal presented battery analysis to Workgroup members built on previously shared NESO securities and liabilities data, with an additional overlay distinguishing between Phase 1 and Phase 2 projects. They clarified that this was an extension of earlier analysis rather than a new standalone dataset, and that the updated workbook and supporting narrative had already been circulated for inclusion in the Workgroup Report and would be added as an Annex for information.

The key finding from the analysis was that Phase 1 projects, which are typically closer to delivery, exhibit higher average cancellation charges than Phase 2 projects. This outcome was broadly expected given their relative level of maturity and proximity to energisation. However, a more notable and less anticipated result emerged in relation to maximum liability levels. The data indicated that the maximum liabilities, particularly those calculated close to energisation, were relatively similar across both Phase 1 and Phase 2 projects. This challenged the assumption that Phase 2 projects would demonstrate higher liabilities due to potentially more complex or constrained connection conditions.

It was highlighted that the distribution of these liabilities across both phases appears broadly comparable, suggesting that the underlying cost exposure may not differ as significantly as anticipated between earlier- and later-stage projects.

During the discussion, Workgroup members acknowledged the validity of the analysis but raised important caveats regarding data interpretation. In particular, it was noted that some projects

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originally categorised as Phase 1 may have been reassigned to Phase 2, while still retaining cost assumptions linked to their earlier connection timelines. As a result, the current dataset may not fully reflect updated cost positions for Phase 2 projects, meaning the apparent similarity in maximum liabilities should be treated with caution.

Workgroup members generally agreed that, while the analysis accurately reflects the data currently available, it should not be used to draw definitive conclusions about future cost trends. Workgroup members emphasised that the figures are likely to evolve as project data is refreshed and more accurate cost estimates become available, particularly for Phase 2 projects where revised cost profiles have yet to be fully incorporated.

Finalisation and Clarification of Legal Text

The Workgroup reviewed and finalised the legal text for the Original proposal and all WACMs ahead of the Workgroup Vote, ensuring it reflected agreed policy intent, aligned with the Workgroup Report parameter table, and incorporated agreed drafting updates.

The NESO SME presented revised legal text following internal legal review, focusing on targeted updates to terminology, readability, and section alignment. Key changes included replacing “completion date” with “charging date” to align with cancellation charge calculations, and clarifying DNO information requirements to capture all relevant project types for OTCF administration.

Workgroup members sought clarification on drafting changes that appeared inconsistent with prior discussions or introduced ambiguity, particularly around data fields and potential new obligations for network operators. The NESO SME confirmed that some updates reflected internal NESO policy input and agreed to verify any uncertainties to ensure alignment with operational requirements and agreed Workgroup intent.

When discussing WACM1, Workgroup members identified a discrepancy between the legal text and the Workgroup Report parameter table. The updated drafting appeared to remove the co-location exemption, which had not been agreed or reflected in the documented position. This was considered a material change that could affect voting positions and consistency with previously circulated documents.

The Chair confirmed that WACM1 should remain aligned with the version previously presented and used for voting. The legal text will revert to the circulated version, mirroring the Original proposal except for the agreed OTCF cap amendment. The co-location exemption change was not adopted, as it would be a substantive change to the agreed proposal.

The Workgroup members agreed to progress a separate alternative request to address the policy intent behind the revised drafting. This ensured any further change, including the

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treatment of co-located projects, would be clearly presented and voted on separately, rather than introduced through amended legal text. The Chair noted this was important to maintain governance integrity and distinguish agreed proposals from new alternatives.

For the remaining WACMs, the legal text was generally confirmed as consistent with prior discussions and aligned with the Original proposal. Updates focused on terminology, user progression milestones, key assumptions such as planning consent dates, and edge cases including staged projects and milestone completion.

Creation and Voting on Alternative Request 10 (WACM 6)

Alternative Request 10 arose from a material inconsistency identified during the legal text review. It was therefore developed as a combination of WACM1 and the relevant elements of WACM4. Specifically, it retained the OTCF design and cap from WACM1 but explicitly removed any exemption for co-located projects. The intent was to present a clear and distinct option that reflected the position implied by the revised legal drafting, while preserving the original integrity of WACM1 as previously agreed by Workgroup members.

Before proceeding to the vote, the Chair ensured that the scope and wording of Alternative Request 10 were clearly defined and circulated to all Workgroup members, including those not currently on the call. This included clarifying that the request represented a new option, distinct from both the Original proposal and existing WACMs, and that members should consider it independently.

The vote itself demonstrated a clear division of opinion within the Workgroup resulting an equally split vote. As no consensus was reached, the Chair used their discretion to progress Alternative Request 10 for Authority consideration. The proposal was included as an additional WACM, later referred to as WACM6, despite not receiving majority support.

Finalise Workgroup Report Discussion

Workgroup members reviewed the draft Workgroup Report to ensure it accurately reflected discussions, decisions, evidence, final legal text, and agreed WACMs. The Chair noted it remained a live document requiring final review for clarity, completeness, and consistency before submission. The Chair confirmed that an updated Workgroup Report would be circulated for final comments.

Terms of Reference discussion

The Chair explained that the Workgroup Report needed to show each Term of Reference had been fully considered, even where definitive conclusions were not possible. Workgroup members were asked to confirm whether the discussions had been captured, including any limitations or uncertainties, and signposted the relevant supporting sections.

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Workgroup members agreed that most Terms of Reference had been addressed through the report, though evidence was sometimes spread across several sections. They agreed this should be made clearer by signposting where each term had been considered, including implementation-related points covered in the relevant sections.

A more detailed discussion took place on specific Terms of Reference where the level of evidence or certainty was more limited. In relation to the assessment of network planning impacts and oversubscription, Workgroup members agreed that although the issue had been considered, it had not been possible to quantify benefits or costs due to a lack of available data. It was acknowledged that determining the impact on network planning would depend on how many projects withdraw or progress, which remains uncertain. The Workgroup members therefore agreed that the Workgroup Report should explicitly state that the issue had been examined but that conclusions were constrained by data limitations and modelling uncertainty.

Similarly, in relation to project viability and economic competitiveness, Workgroup members clarified that while the topic had been discussed extensively, the design of the OTCF itself does not directly assess or differentiate projects based on their economic competitiveness. Instead, it was recognised that the mechanism operates as a broader signal, encouraging developers to consider viability in their own decision-making. The discussion concluded that this nuance should be clearly captured in the Workgroup Report, recognising both the limitations of the design and its indirect behavioural effect.

Workgroup members revisited co-located projects under the Terms of Reference and agreed the process requirement had been met, as each proposal set out a defined treatment. They noted the requirement was to ensure a workable process, not to agree whether that approach was preferable. Differing policy views were captured elsewhere in the Workgroup Report.

Throughout the discussion, Workgroup members reiterated the importance of transparency, particularly where data gaps or differing interpretations existed. It was agreed that including clear qualifications within the Workgroup Report would ensure that the CUSC Panel and the Authority could understand both the scope of the work undertaken and the limitations encountered. This approach was seen as essential to maintaining the integrity and auditability of the Workgroup's conclusions.

Following this review, no objections were raised to confirming that all Terms of Reference had been met.

Ofgem Consultation and Impact Assessment Discussion

Ofgem's representative explained Ofgem's consideration of a 'minded to' consultation with a draft interim impact assessment, seeking feedback on whether this would provide sufficient

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certainty for stakeholders awaiting gate 2 offers. Some Workgroup members emphasised the industry’s need for timely decisions to inform credit arrangements, while another Workgroup member highlighted the uncertainty inherent in ‘minded to’ positions and others noted the Workgroup’s focus on fulfilling Terms of Reference regardless of Ofgem’s process.

A Workgroup member requested that Ofgem conduct a full impact assessment due to the complexity and potential effects of the modification, with the Chair noting support from other members.

Workgroup Vote

The Chair explained the two-stage voting process: Stage 2a involved assessing the Original and six alternative proposals against the current code (the Baseline), and Stage 2b required members to select the best option. The Chair emphasised that votes must be compared to the baseline, not the Original proposal, and clarified the process for new or less experienced members. Each participant was called upon to confirm their votes live and participants were asked to provide voting statements where relevant.

Any Other Business and Next Steps

The Chair outlined the next steps, including circulating the updated voting form and Workgroup Report for review by close of play, setting a deadline for feedback by 3pm the following day, and scheduling a potential ‘showstopper’ meeting on Friday 12 June, to resolve any outstanding issues before submission to the CUSC Panel.

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
Ahmed Dabaa	AD	Aura Power	Workgroup Member
Alex Iconic	AI	Road Knight Taylor	Workgroup Member
Andrew Allen	AA	RWE	Workgroup Alternate
Andrew Colley	AC	SSE Generation	Workgroup Alternate
Andrew Yates	AY	Statkraft	Workgroup Member

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Ash Adams	AAd	NESO	Workgroup Member
Alastair Southworth	AS	Harmony Energy Ltd	Workgroup Alternate
Bethany Garry	BG	DESNZ	Government Observer
Charlie von Schmieder	CvS	Gresham House	Workgroup Member
Charles Saywell	CS	Aputura	Workgroup Member
Chris Terry	CT	Fidra 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	Attendee name	Workgroup Alternate
Dennis Gowland	DG	Research Relay Ltd	Workgroup Member
Gareth Williams	GW	Scottish Power Transmission	Workgroup Member
Garth Graham	GG	SSE Generation	Workgroup Member
Grahame Neale	GN	LightsourceBP	Workgroup Member
Grant Rogers	GR	Q Energy	Workgroup Member
Gerrard McKillen	GM	Eden Renewables	Workgroup Alternate
Hazif Milhan	HM	Zenobe	Workgroup Member
Helen Stack	HS	Centrica	Workgroup Member
Joe Colebrook	JC	Innova	Workgroup Member
Josh Edwards	JE	Aura Power	Workgroup Alternate
Julia Magee	JM	Orsted	Workgroup Member
Khamun Ward	KWa	Voltwise Power Holdings Limited	Workgroup Alternate
Kimbrah Hiorns	KH	EDF	Workgroup Member

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Kim Dawson	KD	SPEN	Workgroup Observer
Kyran Hanks	KH	Water Wye	Workgroup Member
Lamin Saidu Vulart	LSV	Qair UK	Workgroup Member
Lee Wilkinson	LW	On Path Energy	Workgroup Member
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Muki Liu	ML	NESO	Workgroup Observer
Navdeep Singh Gora	NSG	Northern Powergrid	Workgroup Member
Ollie Easterbrook	OE	National Grid Electricity Distribution	Workgroup Member
Paul Youngman	PY	Drax	Workgroup Member
Phillip Pateman	PP	Aukera	Workgroup Member
Phillip Patrick	PPa	Firstway Energy	Workgroup Member
Ravinder Shan	RS	FRV Powertek Ltd	Workgroup Member
Rob Smith	RSm	ENSO Green Holdings Limited (EGHL)	Workgroup Member
Rosemary Mcinnes	RM	Scottish Power	Workgroup Alternate
Ros O Hare	ROH	SSEN	Workgroup Member
Sam Aitchinson	SA	Island Green Power	Workgroup Member
Shabana Akhtar	SAk	Ofgem	Authority Representative
Simon Sheridan	SS	NESO SME	Workgroup Observer
Simon Wragg	SW	Ethos Green Energy Solutions Ltd	Workgroup Member
William Primarolo	WP	Q Energy	Workgroup Alternate
Xuefei Zheng	XZ	RWE	Workgroup Alternate