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Code Administrator Meeting

Summary

Workgroup Meeting 10: CMP460 – Improving Transmission Connection Asset Charging

Date: 16 April 2026

Contact Details

Chair: Matthew Larreta, matthew.larreta@neso.energy

Proposer : Joe Colebrook, joe@innova.co.uk

Key areas of discussion

The Chair confirmed that the main purpose of Workgroup 10 was to review the timeline, alternative requests, outstanding actions, draft Legal Text, and Workgroup Report.

Objectives and Timeline

The Chair proposed options for adjusting the timeline, including moving or adding workgroup meetings, with consensus from the Proposer and Workgroup that more time is needed to properly discuss Alternatives and the draft Legal Text. Several Workgroup members and the Technical Secretary discussed the risk to the proposed implementation date, noting regulatory dependencies and the need for Ofgem approval, with agreement to prioritise a thorough review over strict adherence to the original timeline.

Alternative Requests and Workgroup Membership

The Chair discussed the ambiguity around non CUSC Schedule 1 parties, specifically NESO and NGET, being eligible to raise alternative requests, with ongoing consultations involving NESO Legal and Ofgem to clarify enduring arrangements.

- **CUSC Membership Interpretation:** The Chair explained that CUSC 8.20.3 describes Workgroup membership, noting ambiguity in whether NESO can nominate NGET as a Workgroup member, and that further advice is being sought from NESO Legal and Ofgem.
- **Alternative Request Restrictions:** The Chair clarified that CUSC 8.20.16 restricts who can raise a Workgroup Alternative Request, meaning NGET cannot raise an Alternative directly, but other Workgroup members may do so on their behalf.
- **Broader TO Implications:** NGET emphasised that the issue is not specific to NGET but applies to any Transmission Owner wishing to be a Workgroup member or raise an Alternative, highlighting the need for an overarching solution.

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- **Historical Context and Precedent:** Several Workgroup members discussed the historical context, noting that the issue stems from the separation of National Grid and NESO, and that pragmatic approaches in the past set precedents for handling such membership ambiguities.

Action Log Review

The following Actions were discussed:

- **Action 14** (Open) – Agreed as ongoing.
- **Action 37** (Closed) – The Workgroup reviewed a revised table distinguishing between connection assets and infrastructure assets, with NESO confirming the table now clearly separates asset types and highlights that user commitment fees are determined by user type, not asset classification. One Workgroup member raised a technical point about the SIF (Security Incentive Factor) application, noting that STC (System Operator Transmission Owner Code) implies connection assets have a 100% SIF because they are not intended to be shared, while infrastructure assets are intended to be shared. They suggested the Workgroup may need to explore the impact of reclassifying assets, as this could materially affect securities for DNOs (Distribution Network Operators). NESO clarified that SIF in the current framework applies only to Generators and Interconnectors, and CMP460 does not propose changes to this. The Workgroup agreed to close Action 37, as the discussion and implications will be documented in the Workgroup Report.
- **Action 40** (Open) – Agreed as ongoing.
- **Action 41** (Closed) – The Proposer confirmed that the amendments had been made.
- **Action 43** (Closed) – NESO updated the Workgroup on initial NESO Legal comments, specifically regarding edits to the "unduly" wording and flagged issues in Section 11. The need for a separate modification was discussed, but it was determined that this depends on resolving other points. The Workgroup agreed to close Action 43, as further progress is dependent on other developments, with the option to open another action on the issue if needed.
- **Action 44** (Closed) – The Chair clarified that a Proposer could raise an Alternative Request to their own proposal. It was confirmed that there is no restriction provided the Alternative remains within the scope of the original proposal.
- **Action 45** (Open) – Remains ongoing.

Alternative Request

NGET presented their Alternative Request to address embedded user pain points by limiting capital contributions for transmission connection works, with detailed discussion from Workgroup members, on its mechanics, fairness, and alignment with charging reform.

- **Pain Point Identification:** NGET identified the main pain point for embedded users as high recharging of connection charges by DNOs, arguing that the original solution

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is disproportionate, and that the alternative should focus on capital contribution arrangements.

- **Proposal Mechanics and Formula:** NGET detailed the formula for limiting capital contributions, including MW and fault level proportioning, and explained how successive embedded users would contribute over time, with the aim of proportional and fair cost allocation.
- **Comparison with DCUSA DCP461:** The Workgroup discussed the similarities and differences between the NGET proposal and DCUSA DCP461, clarifying that the NGET proposal sets a cap on what DNOs can pay, while DCUSA sets what DNOs can charge.
- **Fairness and Consistency Concerns:** Several Workgroup members raised concerns about consistency and fairness, noting that the Alternative may reduce pain points but not eliminate them, and that regional disparities and contract impacts need to be considered.
- **Alignment with Charging Reform:** Several Workgroup members discussed the risk of conflicting with Ofgem's Charging Reform, the need for a pragmatic solution, and the importance of considering long-term impacts and regulatory adjustments.

Draft Legal Text

The Proposer led a review of Legal Text changes, including asset classification, connection boundaries, and capital contribution refunds, with input from Workgroup members on clarity, implementation, and retrospective impacts.

- **Section 11 and 14 Definitions:** The Proposer and NESO discussed the need for clear definitions of connection assets and infrastructure assets, with NESO Legal comments highlighting ambiguity and the need for consistent terminology.
- **Shared Asset Classification:** Several Workgroup members debated the criteria for classifying assets as shared, the timing of reclassification, and the practical implications for charging statements and implementation.
- **Refunds and Retrospectivity:** The Proposer explained the formula for refunding capital contributions when assets are reclassified, clarifying that refunds are based on net asset value and depreciated capital contributions, and that retrospective changes to previous charges are not intended.
- **Implementation Responsibilities:** NESO and NGET discussed who is responsible for asset classification and charge calculation, and the need for TOs and NESO to coordinate on timely implementation and contract adjustments.

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Next Steps

The Chair confirmed that the draft Legal Text will be developed further, reflecting Workgroup Meeting 10.

Actions

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

Action Number	Workgroup Raised	Owner	Action	Due by	Status
14	WG2	JC / AH	Review potential changes to Legal Text with legal team (possibly Section 3 or 11).	WG6	Open
37	WG8	AH	Provide a detailed table clarifying the treatment of securities for different asset types and users, include securities as they are now and as they would be under CMP417. Confirm the scope of Attributable Works and wider works with input from relevant teams.	WG9	Closed
40	WG8	JC	Update or develop worked examples in Section 14.11 to reflect the revised legal text and consult the charging team to ensure accuracy of first year charges in the examples.	WG9	Open
41	WG8	JC	Add wording to the legal text and consult on the regulatory implications of refunding Capital Contributions if Assets are reclassified from Connection to Infrastructure Assets upon CMP460 implementation.	WG9	Closed
43	WG9	AH	NESO Legal to confirm whether references in CUSC Section 11 can be updated as part of CMP460 or whether a separate modification is required.	WG10	Closed
44	WG9	ML	Chair to confirm whether the Proposer is permitted to raise an Alternative to his own proposal.	WG10	Closed
45	WG9	PB	PB and other interested Workgroup members to consider the scope, alignment, and differences between the potential alternative(s) being considered in preparation for the next Workgroup meeting.	WG10	Open

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46	WG10	AH	Confirm who is responsible for determining asset classification/charging boundary and calculating connection charges for implementation, and to clarify the process and timing for refunds and implementation steps	WG11	New
47	WG10	JC/AH	Proposer to coordinate with NESO/NESO legal to resolve outstanding Legal text issues, especially around asset definitions and refund calculations.	WG11	New

Attendees

Name	Initial	Company	Role
Matthew Larreta	ML	NESO	Chair
Andrew Hemus	ANH	NESO	Technical Secretary
Joe Colebrook	JC	Innova Capital Ltd	Proposer
Aishwarya Harsure	AH	NESO	Workgroup Member
Damian Clough	DC	SSE Generation	Workgroup Member
David Tooby	DT	Ofgem	Authority Representative
Dimitrios Terzis	DIT	SSEN Transmission	Workgroup Member Alternate
Drew Johnson	DJ	Northern Power Grid	Workgroup Member
Edda Dirks	ED	SSE Generation	Workgroup Member Alternate
Grahame Neale	GN	Lightsource BP	Workgroup Member
Helen Stack	HS	Centrica	Workgroup Member
Ian Burman	IB	Green Gen Cymru	Workgroup Member
Jack Purchase	JP	NGED	Workgroup Member
Karl Wilkins	KW	NGED	Workgroup Member Alternate
Mark O'Connor	MOC	EDF Power Solutions	Workgroup Member
Matt Predescu	MP	Eclipse Power	Workgroup Member Alternate
Matthew Paige-Stimson	MPS	NGET	Workgroup Member
Meghan Hughes	MH	SSEN Transmission	Workgroup Member
Natalija Zaiceva	NZ	UK Power Networks	Workgroup Member
Nick Silito	NS	Water Wye Associates	Observer
Paul Mott	PM	NESO	Workgroup Member Alternate
Philip Bale	PB	Roadnight Taylor	Workgroup Member Alternate
Rob Smith	RS	Enso Green Holdings Limited (EGHL)	Workgroup Member

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Shannon Murray	SM	ScottishPower Renewables	Workgroup Member Alternate
Will Bowen	WB	UK Power Networks	Workgroup Member Alternate