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Code Administrator Meeting

Summary

Workgroup Meeting 8: CMP456: Cost Recovery for legacy plant in relation to GCO168

Date: 10 September 2026

Contact Details

Chair: Sarah Williams, Sarah.Williams@neso.energy

Proposer: Tim Ellingham, tim.ellingham@rwe.com

Key areas of discussion

The Workgroup reviewed the Original and WACMI legal text.

Action Log Review

- **Action 19 (Ongoing)** Action 19 remains open. The original requirement to explain the future guidance note in the Workgroup Report may become unnecessary if the full guidance note is completed, but the Proposer is continuing to develop the guidance note. The Workgroup agreed it should remain separate from the Legal text.
- **Action 21 (Closed)** The Workgroup confirmed that the alternative wording had already been drafted, reviewed and incorporated into the Legal text.
- **Action 22 (Closed)** The Workgroup concluded that the review and incorporation of the proposed wording had already been completed.
- **Action 23 (Ongoing)** JP undertook to confirm the legal position on the preferred wording and report back to the Workgroup.
- **Action 24 (Closed)** The Workgroup agreed that the governance position was clear: the guidance note is supplementary material, is not required ahead of the Workgroup vote, and will not be referenced in the Legal text.
- **Action 26 (Closed)** NESO confirmed that the work associated with the preceding update had been completed.
- **Action 27 (Ongoing)** NESO noted that previous CMP456 Workgroup meetings had included a presentation from a NESO subject matter expert, who had provided estimated numbers of plants and sites expected to be affected, together with the assumptions used to derive those figures. Stating that this information had already been shared with

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Workgroup members and offered to resend it. The Chair agreed and requested that the information be resent so it could be recirculated to the wider Workgroup.

Review CMP456 Original Legal Text

The Workgroup focused on working through comments from NESO Legal and agreeing how outstanding issues should be addressed. Key points discussed were:

- **Derogation wording:** The Workgroup debated whether references to derogations were appropriate within a cost recovery modification and clarified that any derogation would relate to Grid Code obligations rather than CUSC cost recovery provisions. Further drafting was requested to better articulate the intended process.
- **Claims assessment process:** The Workgroup agreed to retain relatively high-level Legal text, including the mandatory pre-claim stage, while developing the detailed operational process through the guidance note. Concerns were raised about consistency of claim assessment, dispute resolution, and treatment of recoverable costs.
- **Recoverable costs:** The Workgroup discussed the meaning of “directly attributable costs necessarily incurred”, including modelling costs, verification activities, firmware updates, testing, and other costs arising from EMT model development. Further drafting actions were assigned to improve clarity.
- **Technical definitions and references:** The Workgroup reviewed several legal drafting comments relating to EMT modelling terminology, user guides, reports, RTDS, hardware-in-the-loop testing, and references to Grid Code requirements. Where terms were not clearly defined, actions were assigned to provide suitable wording or references.

Review CMP456 WACMI Legal Text

The Workgroup focused on working through comments from NESO Legal and determining whether the same drafting approaches agreed for the Original Proposal should also apply to the Workgroup Alternative. Much of the discussion centred on clarifying drafting, definitions and recoverable costs while maintaining consistency between the two solutions. Key points discussed were:

- The Workgroup agreed that many of the decisions reached on the Original Proposal Legal text, particularly around the claims assessment process, should be carried across to the WACMI drafting where appropriate.
- The Workgroup reviewed provisions relating to loss of revenue from reducing generation output, confirming that this wording was intended to cover generators that must turn down generation to obtain data required for EMT model development.
- The Workgroup discussed terminology such as inverter-based resources, RTDS (Real-Time Digital Simulator), hardware-in-the-loop testing, and other technical modelling concepts.

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Several actions were assigned to improve terminology, provide references, or clarify wording where terms were not defined terms.

- The Workgroup considered provisions relating to firmware updates, with discussion on when such costs should be recoverable and how this interacts with Grid Code concepts such as substantial modification.
- The Workgroup agreed that costs associated with testing, modelling support activities and physical testing should remain recoverable where required to support EMT model development, subject to further drafting refinement.

Workgroup Report Review

The Workgroup did not undertake a detailed review of the Workgroup report during the meeting. Instead, members were asked to review the Workgroup Report outside of the meeting, provide comments, and confirm that it accurately reflects the Workgroup's discussions and conclusions.

Next Steps

The Chair asked all Workgroup members, to review the revised Legal texts and Workgroup Report before the next meeting so outstanding comments can be resolved without reopening settled discussions.

Actions

For the full action log, click [here](#).

Action Number	Workgroup Raised	Owner	Action	Due by	Status
19	WG6	TE	Add an explanation in the Workgroup report document outlining what the guidance note will entail if the full guidance note cannot be completed before submission.	WG7	Open
21	WG7	PJ	Draft alternative wording for the legal text relating to the embedded customer being within the GC0168 affected class (paragraph 6.40.4(A)), following	WG8	Closed

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			the discussion on how this should be expressed.		
22	WG7	TE	Review proposed wording and determine how it should be incorporated into the legal text.	WG8	Closed
23	WG7	JP	Discuss with NGED legal, whether the DNO provision should use stronger wording (e.g. "shall" / "will" instead of "may") regarding submitting claims on behalf of embedded customers and provide feedback to the group.	WG8	Open
24	WG7	SW	Confirm the governance position on the CMP456 guidance note, specifically whether the guidance must be available to the Workgroup before the vote because it is referenced in the legal text.	WG8	Closed
26	WG7	AH	Update the legal text so that the additional wording regarding: "directly attributable costs necessarily incurred in obtaining and transferring data"	WG8	Closed
27	WG7	JP	Share information on the number of Generators likely to be in scope.	WG8	Open
28	WG8	PJ	Propose clearer wording for the derogation clause, including the intended derogation and the party responsible for seeking it, for review by the Workgroup.	WG9	New

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29	WG8	TE, AH, IG	Define the operational claims process in the guidance note, including required pre-claim information, evidence, disagreement handling, and the treatment of work while a dispute is unresolved.	WG9	New
30	WG8	SW	Record in the Workgroup Report ScottishPower Renewables' concern that significant costs may not be approved through the pre-claim process.	WG9	New
31	WG8	TE/GG	Locate the governing BSC reference for BOA or 7A trades and update the legal text or glossary with the appropriate reference; avoid wording that unintentionally limits eligible trading mechanisms.	WG9	New
32	WG8	IG	Revise the wording for directly attributable costs to clarify that necessary expenditure incurred in developing and delivering the EMT model is captured, including unforeseen model-development costs.	WG9	New
33	WG8	IG	Confirm whether "inverter-based resources" is defined in the Grid Code or another applicable source and propose suitable wording or a reference.	WG9	New
34	WG8	IG	Locate the applicable definition and guidance for "substantial modification" and recommend	WG9	New

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whether the Legal text should
reference it or clarify it.

Attendees

Name	Initial	Company	Role
Sarah Williams	SW	NESO	Chair
Andrew Hemus	ANH	NESO	Technical Secretary
Tim Ellingham	TE	RWE	Proposer
Aishwarya Harsure	AH	NESO	NESO Representative
Belinda Gonzalez Parrado	BP	Scottish Power Renewables	Workgroup alternate
Emma Sims	ES	NESO	NESO Observer
Garth Graham	GG	SSE Generation	Workgroup member
Ghulam Haider	GH	Ofgem	Authority Representative
Gopi Yericherla	GY	NESO	NESO SME
Isaac Gutierrez	IG	Scottish Power Renewables	Workgroup member
Jack Purchase	JP	NGED	Workgroup member
Neil Dewar	ND	NESO	NESO Representative Alternate
Olusola Bamisile	OB	Ofgem	Authority Representative
Paul Jones	PJ	Uniper	Workgroup alternate
Paul Youngman	PY	DRAX	Workgroup member

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Ross Strachan	RS	EDF-PS	Workgroup member
Utkarsh Agarwal	UA	ESB Generation and Trading Limited	Workgroup member