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Code Administrator Meeting

Summary

Workgroup Meeting 9: CMP456: Cost Recovery for legacy plant in relation to GC0168

Date: 05 October 2026

Contact Details

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

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

Key areas of discussion

The Workgroup discussed the Claims Assessment Process and reviewed the Original and WACM1 legal text.

Action Log Review

- **Action 19 (Closed)** This is no longer required, but the Proposer is continuing to develop the guidance note. The Workgroup agreed it should remain separate from the Legal text.
- **Action 23 (Closed)** JP confirmed the legal position on the preferred wording and reported back to the Workgroup.
- **Action 27 (Closed)** 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. The Chair confirmed this had been re circulated.
- **Action 28 (Closed)** Clearer wording for the derogation clause, including the intended derogation and the party responsible for seeking it, has been written ready for the Workgroup to review.
- **Action 29 (Open)** 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- this action has been de-prioritised.
- **Action 30 (Closed)** The Scottish Power Renewables' concern that significant costs may not be approved through the pre-claim process has been recorded in the Workgroup Report.

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- **Action 31 (Closed)** The action has been closed as no governing BSC reference for BOA or 7A trades could be identified, and the Workgroup agreed to remove the reference from the legal text.
- **Action 32 (Closed)** The Workgroup discussed potential revisions to the wording for directly attributable costs. The Alternate Proposer acknowledged the feedback and will consider changes to the legal text are required.
- **Action 33 (Closed)** Action closed as the definition and appropriate reference for “inverter-based resources” were discussed by the Workgroup, with feedback provided to the Alternate Proposer for consideration in the legal text.
- **Action 34 (Closed)** The applicability of the existing Grid Code definition of “Substantial Modification” was reviewed and discussed. The Alternate Proposer provided comments on the legal text.
- **Action 35 (New)** Proposers to review their respective legal text, respond to any outstanding comments, and incorporate any required amendments using tracked changes.
- **Action 36 (New)** Claims Assessment process, clarify days/time needed for a claim, if a claim is rejected or disagreements, including if the clock stops.
- **Action 37 (New)** Liaise with the GC0168 team to ensure CMP456 claims process timelines align with GC0168 EMT model delivery timescale.
- **Action 38 (New)** The Proposers to consider whether the claims should retain the current approach of 12 monthly payments or move to a single payment.
- **Action 39 (New)** NESO to clarify the process for managing contractor cost overruns following procurement, including how any increases in costs would be communicated to NESO and the mechanism for ensuring such costs are appropriately recovered.

Draft Claims Assessment Process

The NESO Representative presented a draft end-to-end Claims Assessment Process for Workgroup review. The process included a pre-claim stage, final claim assessment stage, arbitration provisions and payment arrangements.

Discussion

- Workgroup members broadly supported the introduction of a mandatory pre-claim process to provide confidence to users before significant costs are incurred.
- Workgroup members discussed the need for clear timescales throughout the process and suggested that defined response periods should be considered for both NESO and Users.

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- Workgroup members raised concerns regarding situations where a pre-claim is rejected or queried and noted that an appropriate escalation and arbitration route should be available. Workgroup members questioned how much assurance a pre-claim approval provides and whether costs agreed at pre-claim stage could later be challenged.
- Workgroup members discussed whether a "stop the clock" mechanism should be introduced where claims, disputes or arbitration are ongoing, to ensure compliance timescales under GC0168 are not adversely impacted.
- Workgroup members highlighted that the process should accommodate circumstances where the scope of work or costs change following pre-claim approval. Examples were discussed where additional modelling requirements or technical issues may be identified during model development, leading to increased costs or revised scope.
- Workgroup members suggested that a mechanism should be considered to allow revised scope, costs or assumptions to be agreed with NESO before additional expenditure is incurred.
- The NESO Representative sought views on whether approval of a pre-claim should provide conditional assurance or an unconditional commitment that costs would be recovered. Workgroup members generally considered that the pre-claim should provide confidence to proceed but noted that final claims would remain subject to supporting evidence and assessment.
- Workgroup members discussed the proposed approach of paying approved claims over twelve monthly instalments. Concerns were raised regarding the administrative burden associated with multiple payments and whether a single payment would be more appropriate. It was noted that the current proposal had been developed in line with CMP398, although Workgroup members questioned whether the rationale remained applicable given the expected phasing of claims under CMP456.
- Workgroup members discussed dispute resolution arrangements and sought confirmation if any disputes should continue to be managed through the existing CUSC dispute resolution and arbitration process rather than through a bespoke CMP456 mechanism.
- Workgroup members requested further clarification regarding the process following arbitration and how outcomes would be reflected within the claims assessment process.

The Workgroup supported the development of the Draft Claims Assessment Process but requested further consideration of timescales, scope changes, payment arrangements, and dispute resolution processes before finalisation.

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Review CMP456 Original Legal Text

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

- Workgroup members discussed the derogation provisions and discussing that the user should ordinarily seek any required derogation, with drafting updated to better reflect the existing process.
- Workgroup members considered references to the "Workgroup Alternative" within the legal text. Discussing if it should be removed and replaced with more general references to GC0168 requirements.
- Concerns were raised that the term "capital expenditure" could unintentionally restrict cost recovery. The Proposer supported broader wording to avoid ambiguity.
- The Proposer highlighted concerns that the list of recoverable costs could be interpreted as exhaustive. Workgroup members discussed amending the drafting to allow other legitimate costs to be considered where appropriate.
- Workgroup members discussed that disputes should continue to be managed through the existing CUSC dispute resolution process and that no bespoke arbitration process was required; however, further clarity should be provided regarding how arbitration outcomes feed back into the claims process.
- Workgroup members reviewed clause cross-references and identified a number of drafting points requiring further review.
- Workgroup members discussed that references relating to BOA/7A trades should be removed as no suitable definition could be identified.

The discussion focused on ensuring the legal text accurately reflects Workgroup intent, avoids unnecessary restrictions on cost recovery, and provides sufficient clarity for future implementation.

Review CMP456 WACM1 Legal Text

The Alternate Proposer discussed the WACM1 Legal text with the Workgroup Members.

- The Alternate Proposer raised concerns regarding references to a "materially lower cost alternative approach", noting that in some circumstances no alternative solution may exist and users may be reliant on original equipment manufacturers to develop the required EMT models.

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- Workgroup members discussed the pre-claim and claims assessment provisions. The Alternate Proposer expressed concerns that some operational details were proposed to be covered through guidance rather than legal text and indicated a preference for key principles and cost recovery provisions to be reflected directly within the legal drafting.
- Workgroup members discussed the recovery of directly attributable costs associated with EMT model development, including circumstances where legacy equipment, software limitations or additional technical work increase the costs of compliance.
- The Alternate Proposer requested that references to Hardware-in-the-Loop remain within the legal text, noting that the term is widely understood and used throughout the industry despite not being formally defined within the Grid Code.

The Workgroup reviewed the principal comments relating to the WACMI legal text and agreed that further drafting would be developed by the Alternate Proposer to ensure the legal text accurately reflects the intent of the Alternative solution before further review by the Workgroup.

Workgroup Report Review

The Workgroup did not undertake a 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 the two proposers to send in updated legal text to be reviewed by the workgroup before the next meeting. The next meeting date and time were agreed as 19 October.

Actions

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

Action Number	Workgroup Raised	Owner	Action	Due by	Status
29	WG8	TE, AH, IG	Define the operational claims process in the guidance note, including required pre-claim information, evidence, disagreement handling, and the	WG9	Open

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			treatment of work while a dispute is unresolved- this action has been de-prioritised.		
35	WG9	TE, IG	Proposers to review their respective legal text, respond to any outstanding comments, and incorporate any required amendments using tracked changes.	WG10	New
36	WG9	AH	Claims Assessment process, clarify days/time needed for a claim, if a claim is rejected or disagreements, including if the clock stops.	WG10	New
37	WG9	AH	Liaise with the GC0168 team to ensure CMP456 claims process timelines align with GC0168 EMT model delivery timescale	WG10	New
38	WG9	TE, IG	The Proposers to consider whether the claims should retain the current approach of 12 monthly payments or move to a single payment.	WG10	New
39	WG9	AH	NESO to clarify the process for managing contractor cost overruns following procurement, including how any increases in costs would be communicated to NESO and the mechanism for ensuring such costs are appropriately recovered.	WG10	New

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Attendees

Name	Initial	Company	Role
Sarah Williams	SW	NESO	Chair
Emma Sims	ES	NESO	Technical Secretary
Tim Ellingham	TE	RWE	Proposer
Aishwarya Harsure	AH	NESO	NESO Representative
Andrew Colley	AC	SSE Generation	Workgroup alternate
Belinda Gonzalez Parrado	BGP	Scottish Power Renewables	Workgroup alternate
Garth Graham	GG	SSE Generation	Workgroup member
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
Ross Strachan	RS	EDF-PS	Workgroup member
Utkarsh Agarwal	UA	ESB Generation and Trading Limited	Workgroup member